

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

RECEIVED  
CENTRAL FAX CENTER

DEC 10 2008

In re the Patent Application of:

**John Michael Jensen**

Examiner: Naresh Vig

Serial No. 09/776,498

Art Unit: 3629

Filed: February 5, 2001

For: **METHOD AND SYSTEM TO  
FACILITATE FEE BASED  
COMMUNICATION**

**DECLARATION OF JOHN MICHAEL JENSEN UNDER RULE 1.131**

I, JOHN MICHAEL JENSEN, declare as follows:

1. The statements herein are based upon my personal knowledge and if called to testify under oath in court I could and would so testify.
2. I am over 18 years old;
3. I conceived of the idea described in Application 09,776,498 prior to April 20, 2000;
4. On April 20, 2000, I reduced to writing the idea of "A Pay-Per-E-Mail Service STARSBEST.COM *E-mail Your Favorite Stars (\$2 and up)*". EXHIBIT 1.
5. On or before April 20, 2000, I developed the idea and wrote the attached "Service Agreement", attached and incorporated as EXHIBIT 2;
6. On April 20, 2000, I developed the six interactive web pages attached as EXHIBITS 3-8;
7. The six web pages in EXHIBITS 3-8 reduced the concept to practice on the web pages;
8. As seen in the Screen shot of my computer hard drive (EXHIBIT 9), I made the six HTML pages named (with misspellings) on:

- a. "starsbest.com www site" made on April 20, 2000 at 5:56 AM. EXHIBIT 3;
  - b. "Starsbest.com TV site #1" made on April 20, 2000 at 4:42 AM; EXHIBIT 4;
  - c. "Starsbest.com Stars INtroduction Page" made on April 20, 2000 at 5:55 AM; EXHIBIT 5;
  - d. "Starsbest.com Message Page" made on April 20, 2000 at 5:56 AM; EXHIBIT 6;
  - e. "Starsbest.com bill order payment page" made on April 20, 2000 at 5:56 AM; EXHIBIT 7;
  - f. "Starsbest.com Star Signup" made on April 20, 2000 at 2:57 PM; EXHIBIT 8;
9. "starsbest.com www site" is part of an interactive system or method with information input functions that resides on an intermediary facility connected to a network that transmits and receives information, text, and communication via a network, including where the intermediary facility receives text inputted or transmitted from a User's communication device to the intermediary facility such that the intermediary facility transfers the User's text or communication to a Receiver or Receiver's account after the User pays a fee or bears a cost on the intermediary facility. The User's fee or cost benefits all or in part the Receiver. The intermediary facility of the interactive system or method transmits information for display on a communication device and accepts input of information, text, communication, or queries from a communication device. Often, the intermediary facility would transmit an HTML or similar page to the User's communication device or computer software browser. The page, text, image or information in Hyper Text Markup Language (HTML) or similar format would allow a User on his communication device to click on, indicate, or select the information, word, image, or link to navigate to the desired destination, page or location associated with the selected word, image, link or information, including a page or location associated with a specific famous person, Receiver, association or category. This "starsbest.com www site" was created on or before April 20, 2000 and a time of 5:56 AM. EXHIBIT 3.

10. "Starsbest.com TV site #1" is part of an interactive system or method with information input functions that resides on an intermediary facility connected to a network that transmits and receives information, text, and communication via a network, including where the intermediary facility receives text inputted or transmitted from a User's communication device to the intermediary facility such that the intermediary facility then transfers the User's text or communication to a Receiver or Receiver's account after the user pays a fee or bears a cost on the intermediary facility. For example, "Starsbest.com TV site #1" is an interactive web page with information input functions that resides on a intermediary facility connected to a network that transmits and receives information via a network, including presenting information for display on the User's communication device and accepting User input of information or queries. "Starsbest.com TV site #1" illustrates the "finding function" by category via a network to display on the User's communication device or computer and facilitate the User's navigation, search, and finding on the intermediary facility. The intermediary facility transfers text or image or information in Hyper Text Markup Language (HTML) or similar format so as to allow a User to click on, select, or indicate a word, image, or link and navigate to or transfer to a desired page or location associated with the desired word, image, link, information, person, Receiver, or category. For example, if the User selected the word or image "television" on the "starsbest.com www site", then the intermediary facility would transmit information via a network to the User's communication device, including transmit a particular page or location associated with the subcategory of television, or a particular Receiver. For example, after a User clicks on the HTML word "television" category of the main web page that resides on the intermediary facility, the intermediary facility transfers information to the User's communication device over a network such that a web browser or similar means on the User's computer arrives at, "finds", and displays the information on this "Starsbest.com TV site #1" page on the User's computer or communication device in a browser or similar means. The intermediary facility's

finding functions provides a means to allow the User to locate, find or narrow the category or persons or affiliations related to a Receiver, category or subject (in this case the subject of television), and eventually to specify and select a specific Receiver. The intermediary facility's finding functions provides a means to find and to select a specific person, Receiver, or entity to direct a text, communication or email to. This "Starsbest.com TV site #1" was made on April 20, 2000 at 4:42 AM; EXHIBIT 4.

11. "Starsbest.com Stars INtroduction Page" is part of an interactive system or method with information input functions that resides on an intermediary facility connected to a network that transmits and receives information, text, and communication via a network, including where the intermediary facility receives text inputted or transmitted from a User's communication device to the intermediary facility such that the intermediary facility transfers the User's text or communication to a Receiver or Receiver's account after the User pays a fee or bears a cost on the intermediary facility. For example, "Starsbest.com Stars INtroduction Page" is an interactive web page with information input functions that resides on a intermediary facility connected to a network that transmits and receives information via a network, including presenting information for display on the User's communication device and accepting User input of information or queries, and sending information to the user's communication device or computer or to the Receiver's communications device or computer. The intermediary facility transfers or sends information such as this "Starsbest.com Stars INtroduction Page" page, including upon the User's or Receiver's selection of a link or HTML request, over a network to the communication device or computer. For example, this "Starsbest.com Stars INtroduction Page" provides information to a person who desires to participate as a Star, Receiver, or famous person or receive communication for a fee. This "Starsbest.com Stars INtroduction Page" page provides information related to the terms and conditions of participation. It clearly indicates that Privacy and security of the Receiver are respected.

This "Starsbest.com Stars INtroduction Page" was made on April 20, 2000 at 5:55 AM;  
EXHIBIT 5.

12. "Starsbest.com Message Page" is part of an interactive system or method with information input functions that resides on an intermediary facility connected to a network that transmits and receives information, text, and communication via a network, including where the intermediary facility receives text inputted or transmitted from a User's communication device to the intermediary facility such that the intermediary facility transfers the User's text or communication to a Receiver or Receiver's account after the User pays a fee or bears a cost on the intermediary facility. For example, "Starsbest.com Message Page" is an interactive web page with information input functions that resides on an intermediary facility connected to a network that transmits and receives information via a network, including presenting information for display on a communication device and accepting input of information or queries. Clicking on the text, image, representation or other information associated with the Star, Receiver, participant, or specific identity directs the intermediary facility to transfer the information associated with this "Starsbest.com Message Page" page over the network to the communication device or computer of the User such that the User is directed to input information on this page. For example, this would be a destination page once a User has clicked on , selected, or located a Receiver or Star that the User wishes to e-mail for a fee or cost. For example, the intermediary facility provides a text input box or input function for the User to enter text and for the intermediary facility to accept, to store, to account, or to organize the text input. The text input box is connected to an email server, database, input function, or storage feature on the intermediary facility such that the text inputted by the User is held, stored, or directed. After the User completes the input, the intermediary facility transfers the User to a payment page or function on the intermediary facility such as "Starsbest.com bill order payment page" and the User's transaction to pay a fee or bear a cost is completed by the intermediary facility, then the intermediary facility stores,

transfers, or direct the User's text to an account or address associated with the corresponding Receiver or Star. The intermediary facility can utilize additional means to accept User text input or communication, store a message or communication, and direct or transfer it. In this example, the intermediary facility limits the amount of text that a User can input to 400 characters; however different amounts of text or different limits can be imposed. The intermediary facility also allows the User to upload, store, or transfer on the intermediary facility a photo or image that exists on the user's communication device. The intermediary facility requires the User to input the User's email address or identify the User. Importantly, the Receiver's contact, address, or other personal information on the intermediary facility is hidden from the User and hidden from the User's communication device. The intermediary facility also requests or requires the User's email in order to track and to identify the User for return communication. This "Starsbest.com Message Page" was made on April 20, 2000 at 5:56 AM; EXHIBIT 6.

13. "Starsbest.com bill order payment page" is part of an interactive system or method with information input functions that resides on an intermediary facility connected to a network that transmits and receives information, text, and communication via a network, including where the intermediary facility receives text inputted or transmitted from a User's communication device to the intermediary facility such that the intermediary facility transfers the User's text or communication to a Receiver or Receiver's account after the User pays a fee or bears a cost on the intermediary facility. For example, "Starsbest.com bill order payment page" is an interactive web page with information input functions that resides on an intermediary facility connected to a network that transmits and receives information via a network, including presenting information for display on communication devices, and accepting input of information or queries. For example, on the intermediary facility, the User is directed to input User's payment, billing and personal identification information so that the User may pay the fee or bear the cost for transferring text or email, can be tracked for return communication, and otherwise

identified and tracked. Once the User clicks the "Send order" or equivalent language or direction on the intermediary facility, the intermediary facility consults via a network with known payment or financial organizations or credit companies, authenticates the User's identity and payment means, performs the transactions, including charging the User for the price per communication. The intermediary facility accounts for, stores, processes, or otherwise credits the Receiver with financial consideration including a share or future share of the revenue. The intermediary facility directs, transfers, or holds the User's text communication or email on the intermediary facility to an account or address associated with the Receiver where the Receiver's address or account information is not disclosed to the User or is hidden from the User. The Receiver's email or text account or storage location may or may not be located directly on the intermediary facility. This "Starsbest.com bill order payment page" web page was made on April 20, 2000 and a time of 5:56 AM; EXHIBIT 7

14. "Starsbest.com Star Signup" is part of an interactive system or method with information input functions that resides on an intermediary facility connected to a network that transmits and receives information, text, and communication via a network, including where the intermediary facility receives text inputted or transmitted from a User's communication device to the intermediary facility such that the intermediary facility transfers the User's text or communication to a Receiver or Receiver's account after the User pays a fee or bears a cost on the intermediary facility. For example, "Starsbest.com Star Signup" is an interactive web page with Receiver information input functions that resides on an intermediary facility connected to a network that transmits and receives information via a network, including presenting information for display on the Receiver's communication device and accepting Receiver input of information or queries. On the intermediary facility, a person who intends to sign up and accept communication or email and otherwise identify himself or herself through the intermediary facility as a Receiver, must input information on the intermediary facility to sign up and agree to participate.

The Receiver will visit the intermediary facility via a network, input information, and the intermediary facility will establish an account as a Receiver in one or more entries or functions. For example, in conjunction with a modified version of the "Starsbest.com bill order payment page" specific to Receiver(s) on the intermediary facility, the intermediary facility can direct the Receiver to input legitimate and correct personal, credit card, email, address, and other identification and information on the intermediary's interactive web pages to sign up or agree to participate as a Receiver. The intermediary facility also establishes or indicates an account for the Receiver after the Receiver signs up so that, or through which, the Receiver may be paid or credited with funds, including paid via credits to a credit card, or otherwise credited with funds for receiving text or email communications, or participation. The intermediary facility may authenticate the identity or information associated with the Receiver by consulting or checking via a network with known credit companies or other online or additional sources that the names, credit card information, and other information offered or inputted by a Receiver matches the information on file with other known credit companies or other online or additional sources. The intermediary facility's authentication of Receivers intends to prevent people falsely signing up as a Receiver in a name other than their legal names or other than in names that correctly match the names or information appearing in the known credit records or other sources. Additional identification by the intermediary facility may be secured, including by matching the address provided with the name of the Receiver and other sources. The authentication by the intermediary facility occurs prior to the inclusion of the Receiver on the intermediary facility's informational or web page. After the intermediary facility charges the User a fee or cost for the price per communication, the intermediary facility accounts for, processes, or credits the Receiver with a share or future share of the revenue, including by crediting amounts to a credit card. After the User's payment transaction has been processed or completed on the intermediary facility, the intermediary facility transfers the User's text communication or email to an account or



address associated with the Receiver where the Receiver's address or account information is not disclosed to the User or is hidden from the User. The Receiver's account may or may not be located directly on the intermediary facility. This "Starsbest.com bill order payment page" was made on April 20, 2000 at 5:56 AM; EXHIBIT 8.

15. EXHIBITS 3-8 were written in Hyper Text Markup Language (HTML). EXHIBIT 9.
16. The April 20, 2000 dates are correct. These files are kept on my computer. A true and correct copy of a screen shot is attached. EXHIBIT 9.
17. Between April 20, 2000 and August 9, 2000, I researched whether other businesses were similar to the invention and I researched whether other patents, applications or inventions were similar to the invention;
18. Between April 20, 2000 and August 9, 2000, I diligently researched the best manner of implementing and describing the invention, including researching the protocols and standards of the Invention and other network communications, so as to make the invention broadly available, including the software and hardware issues to implement the invention,
19. Between April 20, 2000 and August 9, 2000, I diligently researched how to protect the invention under law; including business method patents and I read *Patent It Yourself--A complete inventor's guide*, by David Pressman and worked to develop the invention, set it down into practice, and protect it under the patent law.
20. On August 9, 2000 at 9:19 AM, I wrote "Patent Method" attached and incorporated as EXHIBIT 10:

An electronic communication and financial transaction method and system

Abstract: A system and method for enabling electronic communication and financial transactions over a network via e-mail, chatroom, electronic broadcast, or other means wherein a user transfers funds or pays a fee or subscription to the receiver, a third party, or a combination of parties in order that the user may have

access to send or to receive information or communications to or from an intended receiver or a third party. For example, the method and system enables fans for a fee to send or to direct e-mails, to participate in electronic chats, to hear a live performance or broadcast over a network, or to otherwise send or receive electronic communications to or with their favorite entertainers, athletes, stars, musicians, or performers. In turn, the athletes, stars, musicians, and performers receive a fee or a portion of the user's fee as a new revenue source, to supplement their income, or to off-set the costs of time or investment in their production or activity.

Currently, no method or system exists on the Internet or other network that would enable a user with existing internet access to acquire and to pay for services or products which may be considered to be "pay-per-email", "pay-per-broadcast", "pay-per-view", "private-network", or other valuable services. This system and method is a new paradigm for promotion, payment, settlement, and revenue on the Internet or other network wherein the user pays a fee or subscription for the privilege of sending and receiving information from a variety of sources and persons. The method and system involves a user accessing the internet or network by a computer, the facilitating host who receives payments for settlement and directs the user's request, and the receiving party who receives the request or communication as well as a credit for later payment and who accepts the communication and may in turn generate further communication or response to the user.

21. Between August 20, 2000 and September 25, 2000, I worked diligently to draft an abstract, define claims and incorporate existing patent language and terminology into the specification to provide the necessary disclosures.
22. By September 25, 2000, I had written and incorporated "Business Method Patent Stasbest #2" and saved the 27 page draft of the partially completed Application. EXHIBIT 11. EXHIBIT 11 is an amalgam of an abstract, claims and part of the specification that I drafted based on existing patent language, along with a great deal of information from an Amazon.com patent application.
23. By October 3, 2000, it was clear that I would have to draft the complete Application myself in my own words.
24. On October 4, 2000, I wrote "Internet Business Patent Starsbest 10-3 #3". EXHIBIT 12.
25. By October 23, 2000, I had diligently worked on and completed a 23 page draft of the Background of the Invention and the claims. EXHIBIT 13.
26. By October 24, 2000, I downloaded the various parts of the Utility Patent Application from the PTO web site in pdfs format, and learned how to complete the Application and the required forms.
27. Between October 24, 2000 and November 7, 2000, I diligently revised and edited ten (10) drafts of the Specification, increasing the detail each time.
28. Between October 8, 2000 and January 7, 2001, I diligently revised and worked on the forms and the drawings, as well as researching, editing, and refining the Application, and how to file a proper Application with the PTO.
29. Between January 7 and January 26, 2001, I diligently worked on revising, adding to, editing, and finalizing twenty -six (26) drafts of the Patent Application, increasing the detail each time such that it required 85 pages.
30. I filed the application and supporting papers on January 26, 2001 and it was received into the PTO with a filing date of February 5, 2001.

31. I worked diligently on the invention from the date of the conception of the idea on or prior to April 20, 2000 to the date of filing on February 5, 2001.

Under penalty of perjury, I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

Dated: December 9, 2008

By:   
John Jensen

BEFORE THE UNITED STATES  
PATENT AND TRADEMARK OFFICE

In re the Patent Application 09/776,498

**DECLARATION OF JOHN MICHAEL  
JENSEN, INVENTOR AND APPLICANT  
IN SUPPORT OF PATENT  
APPLICATION 09/776,498 AND  
RELATED APPLICATIONS**

# EXHIBIT 1

**"A Pay-Per-E-Mail Service STARSBEST.COM E-mail Your Favorite Stars (\$2 and up)"**

A Pay-Per-E-Mail Service

**STARSBEST.COM**

*E-mail Your Favorite Stars (\$2 and up)*

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**Television**

**Movies**

**Music**

**Fashion**

**Sports**

**Wrestling**

**Current Events**

**Games**

**Politics**

**Regional**

**Talkshows**

**Others**

Disclaimer: Hopefully each Star who has agreed to participate will read and respond to each e-mail sent to them. Realistically, Stars are busy people and can't do everything. Starsbest.com can not guarantee that the Stars themselves read these e-mails or will respond, but all the stars here have agreed to participate and have agreed to at least download the e-mail to a computer. The stars do not get paid unless they or their staff download them. You will only be billed and notified when the e-mail is downloaded. Once downloaded, the e-mails may be screened or disposed of by the star or the star's staff. In other words, Starsbest.com makes no promises, representations, or warranties about whether the e-mails will be read. Simply, we provide a service that is the most likely way to communicate with your favorite stars.



## Service Agreement

### Basic Terms:

Minimum E-mail price: \$2.00 US.

Maximum price: No maximum.

Length of E-mail: 40 words or 320 characters max. 1 Photo. and links allowed.

Revenue Split: Starsbest.com 50% and Star 50%.

Paid and Accounted for Quarterly.

Star grants starsbest.com a 6 month right to be the exclusive pay-per-email service for that star.

There is no cost to the Star to sign-up. Starsbest.com does not make any payments to stars to participate.

Star is granted a secure e-mail account which may be accessed from any internet- linked computer. E-mail can be picked up as desired. Accounts are only charged/credited when e-mail is downloaded by/for star.

Star also grants basic rights for the use of name and likeness in connection with service.

All material will be private yet not confidential and not liable for idea submission liability. Starsbest.com

Term of Agreement: Star agrees to a 6-month exclusive term which is automatically renewable, if desired. The exclusivity is only that the star will not participate in another pay-per-email service or equivalent service during the 6-month period.

Starsbest.com retains all rights with regard to participants and as the classifications of participants.

### Starsbest.com

#### Pricing and the Right to Set the Price

The star has the right to set the price per e-mail with a base price no less than \$2.00 per e-mail. There is no maximum limit. The minimum fees are necessary because all charges are done by credit card which typically charge 30 cents or more per transaction as well as 2.5% to 3.5% of the amount billed per transaction.

These prices will be similar to the cost of postage, stationery, and supplies used to send a traditional correspondence by the US postal service.

In addition, advertising, marketing, site development, programming, and other fees need to be paid.

Starsbest.com recommends that the star set the price to somewhere between \$2.00 and \$25.00 per e-mail for normal e-mail traffic.

Financial Terms: StarsBest.com and the Star split the revenue from each e-mail equally (50-50).

Accounting period. The accounting and settling of accounts shall be quarterly.

Payment period. Starsbest.com will pay the star's share of the revenue 28 days after the close of the billing and accounting period which shall be quarterly per year. For example, starsbest.com will write star a check within 28 days after the close of the quarterly accounting and billing period.



Hold-back: Starsbest.com will hold back 10% of gross revenues of that quarter for one additional quarter year or create reserves for such amount for one additional quarter to account for or reflect potential chargebacks, fraud, disputed payments, unauthorized payments, or other liabilities which the star shall assume all responsibility.

BEFORE THE UNITED STATES  
PATENT AND TRADEMARK OFFICE

In re the Patent Application 09/776,498 )  
 ) **DECLARATION OF JOHN MICHAEL**  
 ) **JENSEN, INVENTOR AND APPLICANT**  
 ) **IN SUPPORT OF PATENT**  
 ) **APPLICATION 09/776,498 AND**  
 ) **RELATED APPLICATIONS**  
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# EXHIBIT 3

starsbest.com www site" with a date of April 20, 2000 and a time of 5:56 AM. EXHIBIT 3;

A Pay-Per-E-Mail Service

**STARSBEST.COM**

*E-mail Your Favorite Stars (\$2 and up)*

**Television**

**Movies**

**Music**

**Fashion**

**Sports**

**Wrestling**

**Current Events**

**Games**

**Politics**

**Regional**

**Talkshows**

**Others**

Disclaimer: Hopefully each Star who has agreed to participate will read and respond to each e-mail sent to them. Realistically, Stars are busy people and can't do everything. Starsbest.com can not guarantee that the Stars themselves read these e-mails or will respond, but all the stars here have agreed to participate and have agreed to at least download the e-mail to a computer. The stars do not get paid unless they or their staff download them. You will only be billed and notified when the e-mail is downloaded. Once downloaded, the e-mails may be screened or disposed of by the star or the star's staff. In other words, Starsbest.com makes no promises, representations, or warranties about whether the e-mails will be read. Simply, we provide a service that is the most likely way to communicate with your favorite stars.



A Pay-Per-E-Mail Service

**STARSBEST.COM**

*E-mail Your Favorite Stars (\$2 and up)*

**Television**

***Comedy***

***Cable***

***Prime-Time***

***Day Time***

***Quiz-Show***

***Talk-show***

***On Jerry Springer***

***On Love-line***

***Regional***

***Wrestling***

***Documentary***

***News***

***Others***

*Or by Name:*

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

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**DECLARATION OF JOHN MICHAEL  
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IN SUPPORT OF PATENT  
APPLICATION 09/776,498 AND  
RELATED APPLICATIONS**

# EXHIBIT 5

"Starsbest.com Stars INtroduction Page" with a date of April 20, 2000 and a time of 5:55AM;

A Pay-Per-E-Mail Service

# STARSBEST.COM

*E-mail Your Favorite Stars (\$2 and up)*

## Stars:

Get Paid as you get Praised.

StarsBest.com pays you as you read praise from your fans.

StarsBest.com is the first and only pay-per-e-mail service that allows fans for a fee to write a short e-mail to their favorite stars.

Stars get an opportunity to hear from fans and get paid for their effort. (Some stars may want to donate their proceeds to charity.) The amount of cash money a star can make is almost unlimited and all without having to do a great deal of work, without having to endorse a product, and without having to take any great risk. Starsbest.com allows a star to keep in touch with the fans while cashing in on the fame.

Stars can pursue the e-mail at leisure. No personal response is required, expected, or necessary (although of course a response is always hoped for). At the star's option, Starsbest.com will provides an appropriate e-mail appreciation and recognition to the fan that the star has downloaded the e-mail.

Privacy and security are respected. Respond to the most interesting or inticing. Communicate with and see picture of your fans.

Available anytime on the go, regionally, locally, internationally on the Internet.

Legal protection, for instance for for idea submission or confidentiality concerns, is provided.

Financial accountings are up-to-date and on-line.

Fan-club development is assisted by gathering a personalized database of e-mail addresses.

Start now. Immediately. It's free. Earn

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IN SUPPORT OF PATENT  
APPLICATION 09/776,498 AND  
RELATED APPLICATIONS**

# EXHIBIT 6

“Starsbest.com Message Page”



A Pay-Per-E-Mail Service

**STARSBEST.COM**

*E-mail Your Favorite Stars (\$2 and up)*

Because Stars are busy people, brevity is essential. E-mail messages are limited to 400 characters (approximately 55 words). One picture is allowed as well. See including images.

**Important Information on the Contents:**

All ideas, concepts, characters, or other information you include or present in the message are given by you freely and without expectation of compensation, recognition, attribution, or remuneration. All information you present in the e-mail will be treated as if public, non-confidential, and in the public domain. Please read the communication agreement.

**Message:**

**Photo:**

**E-mail Address:**

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) **RELATED APPLICATIONS**  
)  
)  
)  
)  
)  
)

# EXHIBIT 7

"Starsbest.com bill order payment page"

A Pay-Per-E-Mail Service  
**STARSBEST.COM**  
*E-mail Your Favorite Stars (\$2 and up)*

**Payment:****Billing Address:**

First Name

Last Name

Street Address

City

State

e-mail account:

Zip

**Credit Card Information:**

Visa/MC/Discover/Amex

Acct

Expiration

Check Code:

**Check Message and Photo:**

Disclaimer: Hopefully each Star who has agreed to participate will read and respond to each e-mail sent to them. Realistically, Stars are busy people and can't do everything. Starsbest.com can not guarantee that the Stars themselves read these e-mails or will respond, but all the stars here have agreed to participate and have agreed to at least download the e-mail to a computer. The stars do not get paid unless they or their staff download them. You will only be billed and notified when the e-mail is downloaded. Once downloaded, the e-mails may be screened or disposed of by the star or the star's staff. In other words, Starsbest.com makes no promises, representations, or warranties about whether the e-mails will be read. Simply, we provide a service that is the most likely way to communicate with your favorite stars.

**Send Order**

BEFORE THE UNITED STATES  
PATENT AND TRADEMARK OFFICE

In re the Patent Application 09/776,498

) **DECLARATION OF JOHN MICHAEL**  
) **JENSEN, INVENTOR AND APPLICANT**  
) **IN SUPPORT OF PATENT**  
) **APPLICATION 09/776,498 AND**  
) **RELATED APPLICATIONS**  
)  
)  
)  
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)

# EXHIBIT 8

Starsbest.com Star Signup page

A Pay-Per-E-Mail Service

**STARSBEST.COM**

*E-mail Your Favorite Stars (\$2 and up)*

**Star Sign-up:**

See the Agreement.

**Sign-Up:**

Name:

Category: Movies    Television    Music    Fashion    Wrestling

In Show/Team/Title/AKA:

Mailing Address:

City:

State:

Zip:

Phone Number1:

Other Contact:

Contact Phone Number:

To lessen problems, in most cases Starsbest.com will not post a nationally prominent Star's name until identity verification. Within a short period after signing up, verification should be complete and the service active.

BEFORE THE UNITED STATES  
PATENT AND TRADEMARK OFFICE

In re the Patent Application 09/776,498

) **DECLARATION OF JOHN MICHAEL**  
) **JENSEN, INVENTOR AND APPLICANT**  
) **IN SUPPORT OF PATENT**  
) **APPLICATION 09/776,498 AND**  
) **RELATED APPLICATIONS**  
)  
)  
)  
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# EXHIBIT 9

screen shot of the Starsbest.com folder

PAGE 42/103 \* RCVD AT 12/10/2008 7:19:04 PM [Eastern Standard Time] \* SVR:USPTO-EFXRF-5/10 \* DNIS:2738300 \* CSID:3108205988 \* DURATION (mm-ss):14-20

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An electronic communication and financial transaction method and system

**Abstract:** A system and method for enabling electronic communication and financial transactions over a network via e-mail, chatroom, electronic broadcast, or other means wherein a user transfers funds or pays a fee or subscription to the receiver, a third party, or a combination of parties in order that the user may have access to send or to receive information or communications to or from an intended receiver or a third party. For example, the method and system enables fans for a fee to send or to direct e-mails, to participate in electronic chats, to hear a live performance or broadcast over a network, or to otherwise send or receive electronic communications to or with their favorite entertainers, athletes, stars, musicians, or performers. In turn, the athletes, stars, musicians, and performers receive a fee or a portion of the user's fee as a new revenue source, to supplement their income, or to off-set the costs of time or investment in their production or activity.

Currently, no method or system exists on the Internet or other network that would enable a user with existing internet access to acquire and to pay for services or products which may be considered to be "pay-per-email", "pay-per-broadcast", "pay-per-view", "private-network", or other valuable services. This system and method is a new paradigm for promotion, payment, settlement, and revenue on the Internet or other network wherein the user pays a fee or subscription for the privilege of sending and receiving information from a variety of sources and persons. The method and system involves a user accessing the internet or network by a computer, the facilitating host who receives payments for settlement and directs the user's request, and the receiving party who receives the request or communication as well as a credit for later payment and who accepts the communication and may in turn generate further communication or response to the user.



Internet-based pay-per-communication financial transfer and communication system

#### Abstract

Disclosed is an Internet-based financial transaction and communication system that enables well-known individuals and other business entities ("stars") to market personal or individualized communication, in return for a fee, to users ("fans") over a network or through merchant Web sites or internet portals ("Merchants"). The system includes a merchant web site or portal that organizes the "stars" by name or association. A "fan" visits the merchant web site or portal for purposes of communicating with the "star". The "fan" registers or sets up an account with the merchant site for purposes of communication, identification, and payment. The fan writes an e-mail or generates other communication and then pays a price for purposes of conveying the communication to the "star". The merchant accepts, accounts for, and processes the fan's fee. The merchant web site or portal controls or limits the form, size, and mode of fan's communication. The fee is divided between the merchant web site or portal and the "star". The merchant web site or portal transmits the e-mail, keeps an accounting, and subsequently remits payment to the "star". The "star" may respond to the "fan's" email personally, by group, or generically through the merchant web site or portal or through other means.

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Intern'l Class: G06F 017/60  
Field of Search: 705/27, 10, 14, 26 707/513  
395/200.3, 200.33, 200.53, 200.54, 200.57

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6029141 Bezos

#### Claims

1. A method of selling communication or a means to transfer funds to a well-known person, the method comprising:

providing a Web site system that includes a browsable catalog of names, associations, or references;

providing a means or service for users or fans to locate and to communicate to a "star" or well-known person;

providing a means or service for allowing users or fans to electronically communicate or construct an e-mail message directed to a "star" or well-known person;

providing a user or fan registration or enrollment system which allows users to electronically identify themselves and establish an account for the purposes of submitting or providing payment;

providing a user or fan a means or system to submit payment or money to a "star";

processing a financial transaction whereby through the merchant Web site or internet portal system the fan pays a fee for each communication;

providing a means or service for a star to communicate with a fan in exchange for compensation;

determining and recording within a computer memory compensation for the star for the transaction or communication;

transmitting to the star's computer the fan's communication and transmitting to the star's financial control a fee generated by the fan's request for communication.

2. The method of claim 1, wherein determining and recording within a computer memory compensation for the associate comprises calculating a commission which is based at least in part on a selling price of an item purchased by the customer.

3. The method of claim 1, further comprising paying the commission to the associate electronically.

4. The method of claim 1, further comprising:

generating a feedback report which contains activity data for the item-specific link for a selected period of time; and

transmitting the feedback report to the associate.

5. The method of claim 4, wherein the activity data comprises at least one of the following: (i) a number of click-through events produced by the link, (ii) a quantity of sales resulting from the click-through events, and (iii) commissions for the associate for the sales.

6. The method of claim 1, wherein the item is a book.

7. A method of selling items with the assistance of associates, the method comprising:

providing a web site system that includes a browsable catalog of items and

provides services for allowing customers to electronically purchase the items;

providing a database which contains information about a plurality of associates that select and recommend items from the catalog within respective areas of expertise, at least some of the associates operating associate Web sites that include item-specific links to the Web site system;

receiving from a computer of a customer a request message which contains an associate identifier and an item identifier and extracting the associate and item identifiers from the message, the request message generated in response to selection by the customer of a link of an associate Web site, the link provided in conjunction with a recommendation of the item by an associate;

transmitting to the customer's computer a Web page which corresponds to the item identifier extracted from the request message;

transacting a sale of the item and/or other items of the catalog with the customer through the Web site system;

using the associate identifier extracted from the request message and the database to identify the associate; and

compensating the associate for the sale.

8. The method of claim 7, wherein compensating the associate for the sale comprising paying the associate electronically.

9. The method of claim 7, further comprising automatically generating and transmitting to the associate a report which contains activity data for the link for a selected period of time.

10. A method of selling items with the assistance of associates, the method comprising:

providing a Web site system that includes a browsable catalog of items and provides services for allowing customers to electronically purchase the items;

transmitting to a user a business agreement which specifies legal terms for operating as an associate that refers customers to the Web site system in exchange for compensation;

transmitting to the user an associate enrollment application which is adapted to be completed and electronically submitted to apply to operate as an associate;

electronically receiving a completed enrollment application from the user;

processing the completed enrollment application;

storing user information contained within the completed enrollment application and an associate identifier within a computer memory;

electronically providing to the user instructions for generating hypertextual documents with item-specific links that, when selected by a customer, cause the user's associate identifier and an identifier of a recommended item to be transmitted to the Web site system in a request message; and

In response to a referral of a customer which results in a purchase of one or

more items from the Web site system, determining compensation for the user for the referral.

11. The method of claim 10, wherein electronically providing instructions comprises transmitting to the user an associate identifier and instructions for incorporating the associate identifier into the item-specific links.

12. The method of claim 10, further comprising electronically paying the associate a monetary amount that represents the compensation.

13. The method of claim 10, further comprising generating and transmitting to the user a report which contains activity data for at least one item-specific link provided by the user.

14. A method of facilitating electronic purchases of items, comprising:

providing a Web site system that includes a browsable catalog of items and provides services for allowing customers to electronically purchase items from the catalog;

providing a system for allowing associates to operate associate Web sites that display selected items of the catalog and refer customers to the Web site system in exchange for compensation;

tracking a customer's selections of a plurality of items of the catalog from multiple different associate Web sites, wherein different items of the plurality are selected by the customer from different associate Web sites;

maintaining a record of the plurality of items selected by the customer within a shopping cart data structure within a computer memory of the Web site system;

with the Web site system, transacting a sale of the plurality of items recorded within the shopping cart data structure to the customer; and

in response to the sale, determining, for each of the associate Web sites from which the items were selected, compensation for a corresponding associate.

15. The method of claim 14, wherein maintaining a record of the plurality of items comprises storing within the shopping cart data structure identifiers that correspond to the associate Web sites from which the respective items were selected.

16. The method of claim 14, further comprising the computer-implemented steps of:

generating a report that contains information about customer referrals produced by an associate Web; and

transmitting the report to a corresponding associate.

17. A method of selling items from a catalog of items with the assistance of associates, the catalog accessible to users of a merchant Web site system which provides services for allowing users to electronically purchase items from the catalog, the method comprising:

enrolling a plurality of associates using an online registration system;

initiating electronic transfers to the associates of instructions for creating Web pages with links that are formatted to enable referrals of customers from Web sites of the associates to the merchant Web site to be tracked;

tracking referrals of customers from the Web sites of the associates to the merchant Web site system; and

determining compensation for the associates for the referrals of customers that result in purchases of items from the catalog.

18. The method of claim 17, wherein enrolling a plurality of associates comprises automatically assigning associate identifiers to the associates, and wherein the instructions specify a format for including the associate identifiers within the links to permit the tracking of the customer referrals.

19. The method of claim 17, wherein enrolling a plurality of associates comprises providing electronic access to a document which contains terms and conditions for operating an associate Web site.

20. The method of claim 17, further comprising electronically paying the associates.

21. The method of claim 17, further comprising generating and electronically sending to an associate of the plurality a report which contains data about customer referrals and resulting sales attributed to the associate.

22. The method of claim 17, further comprising transmitting to at least one associate of the plurality a document which contains suggestions for building a successful online store.

23. A method of operating a virtual store to sell items in association with a merchant that operates a merchant Web site, the method comprising:

providing an associate Web site which is separate from the merchant Web site;

selecting from an electronic catalog of the merchant Web site a subset of items of the catalog to display within the associate Web site, the subset including at least one item;

for each item of the subset, incorporating into the associate Web site (a) a description and/or graphical representation of the item, and (b) a link which permits a user of the associate Web site to access the merchant Web site to purchase the item, the link formatted such that selection of the link by the user causes a computer of the user to generate a request message which includes an item identifier and an associate identifier; and

receiving compensation for at least one referral of a user to the merchant web site that results in a sale, the referral resulting from selection of the link.

24. The method of claim 23, further comprising generating an editorial description of at least one of the items of the subset, and incorporating the editorial description into the associate Web site.

25. The method of claim 23, wherein selecting from the electronic catalog comprises selecting a plurality of books which fall within a subject-based category to which the associate Web site pertains.



26. The method of claim 23, further comprising displaying a business name and/or logo of the merchant within the associate Web site to indicate an affiliation with the merchant.

27. The method of claim 23, further comprising incorporating into the associate Web site a link which corresponds to a group of products of the electronic catalog.

28. The method of claim 23, further comprising receiving an electronic report which contains data about customer referrals and resulting purchases produced by the associate Web site.

29. A method of assisting in sales of items from a catalog of items of a merchant Web site system, the method comprising:

completing and electronically submitting an online application to apply to operate as a referral source that refers customers to the merchant Web site system in exchange for compensation for referrals that produce sales;

electronically receiving instructions for creating Web pages with links that are formatted to permit the tracking of customer referrals to the merchant Web site system;

providing a Web site which is separate from the merchant Web site system;

incorporating into the Web site at least one Web page according to the instructions, the Web page including a link that is formatted to permit tracking of customer referrals to the merchant Web site system; and

receiving compensation for at least one customer referral to the merchant Web site system that results in a sale of one or more items from the catalog, the customer referral resulting from selection by a customer of the link.

30. The method of claim 29, further comprising receiving an electronic document which contains terms and conditions for operating as a referral source.

31. The method of claim 29, wherein the link comprises a URL portion which includes a referral source identifier.

32. The method of claim 31, wherein the URL portion further includes an identifier of an item selected from the catalog.

33. The method of claim 29, further comprising displaying within the Web site a business name and/or logo corresponding to the merchant Web site system.

34. The method of claim 29, further comprising selecting at least one item from the catalog, and incorporating a description and/or graphical representation of the item into the Web site.

35. The method of claim 29, further comprising receiving an electronic report which contains data about customer referrals and resulting sales produced by the Web site.

36. A computer-implemented system which implements a program in which associates of a merchant electronically refer customers to a Web site of the merchant, the system comprising:

an associate registration system which implements an electronic application process to at least partially automate enrollment of associates, the associate registration system providing associates electronic access to instructions for forming Web pages with links that are formatted to permit tracking of customer referrals to the Web site;

a referral processing system which tracks referrals of customers to the Web site from associates using associate identifiers contained within request messages, the request messages generated by customer computers in response to selection of links provided by the associates according to the instructions; and

a compensation system which determines and maintains records of compensation for the respective associates for the customer referrals that result in purchases of items from a catalog of the Web site.

37. The system of claim 36, wherein the associate registration system includes a downloadable application which is adapted to be completed and electronically submitted to apply to operate as an associate.

38. The system of claim 37, wherein the associate registration system includes software which scans entries submitted within the application to search for pre-specified terms.

39. The system of claim 36, wherein the associate registration system includes software which assigns associate identifiers to associate applicants.

40. The system of claim 36, wherein the compensation system calculates associate compensation based on selling prices of the items purchased by referred customers.

41. The system of claim 36, further comprising a report generation system which generates and sends to the associates feedback reports which include information about customer referrals and resulting sales.

42. The system of claim 41, wherein the report generation system includes an online menu for allowing associates to specify parameters for generating custom feedback reports.

#### Description

#### FIELD OF THE INVENTION

This invention relates to electronic commerce. Specifically, this invention relates to information processing methods for marketing and selling goods via the Internet or other interactive network.

#### APPENDICES

Included as Appendices A and B are documents that illustrate a preferred embodiment of the invention. These materials form part of the disclosure of the specification.

#### BACKGROUND OF THE INVENTION

With the increasing popularity of the Internet and the World Wide Web, it has become common for merchants to set up Web sites for marketing and selling goods. One example of such a Web site is the online bookstore site of AMAZON.COM, the assignee of the present invention. Via this site, consumers can access and place orders from an online book catalog that includes millions of titles.

One problem commonly encountered by online merchants is an inability to effectively market goods via their Web sites. Because the customer cannot physically inspect the products via the Web site, and typically cannot talk to a salesperson, it is desirable that the site provide access to product reviews, product ratings, and other information that can be relied on by the customer to make an informed decision. In many cases, however, the merchant lacks the resources needed to generate or otherwise obtain such information, especially if the merchant sells a large and diverse selection of goods. For example, it would not be practical for AMAZON.COM to prepare reviews of all, or even a significant portion of, the millions of titles available on the AMAZON.COM site.

Another problem commonly faced by online merchants is an inability to efficiently attract potential consumers to their Web sites. One way of attracting consumers has been to market the site through television, newspaper and Internet advertisements. However, advertising a site using conventional methods can be expensive, and can consume significant human resources. In addition, it is often difficult or impossible to evaluate the effectiveness of a given advertisement.

The present invention addresses these and other problems.

#### SUMMARY OF THE INVENTION

The present invention provides a software system and method for enabling an Internet sales entity, referred to herein as the "merchant," to efficiently market and sell goods in cooperation with Web sites or other network sites of respective business partners, referred to herein as "associates." The system and method are implemented in part by software that runs on the merchant's Web site. Through this site, an entity can enroll (via an automated registration process) as an associate, and can then disseminate catalogs (Web documents, PUSH documents, e-mail newsletters, etc.) that include the associate's reviews and/or recommendations on specific products sold by the merchant.

In accordance with one aspect of the invention, the associate catalog documents include product-specific hyperlinks, referred to herein as "referral links," that allow potential customers to link to the merchant's Web site to initiate purchases of such products from the merchant. Each referral link is provided within the catalog document in association with referral information that is transmitted to the merchant's site when a user (customer) clicks on the referral link. This referral information preferably includes the unique ID of the associate (assigned upon enrollment) and the unique ID of the selected product. Referral processing software running on the merchant site uses this information to identify the associate that referred the customer to the merchant site, and to identify the product selected from the associate's catalog. If the customer subsequently purchases the selected product from the merchant site (e.g., by filling out an order form page and submitting the order), the referral processing software automatically credits the referring associate for the referral by, for example, applying a commission to an account of the associate. In one implementation, the referral commission is automatically generated based on a fixed percentage of the merchant's selling price, and is paid to the

associate electronically on a periodic basis (such as every calendar quarter).

In accordance with another aspect of the invention, the merchant site implements an automated associate enrollment process for allowing individuals and business entities to register as associates. The enrollment process is implemented in part by Web pages that are transmitted to the computer of the associate applicant, and by enrollment software that runs on the merchant site. During the enrollment process, the applicant is presented with an online business agreement (in the form of a Web page) that sets forth the terms and conditions of doing business with the merchant. In addition, the applicant is presented with an online form that requests various information, such as the name, payment address and e-mail address of the applicant and a description of the proposed associate Web site. In one implementation, the enrollment software includes text scanning code that automatically scans the completed form for pre-specified words and phrases (vulgarity, etc.) that may give rise to a rejection of the application, and flags the application for further (human) review when such a word or phrase is found.

As part of the online registration, the application is processed (either automatically or by a staff member of the merchant), and the enrollment software generates and assigns a unique associate ID to the applicant, and stores this ID (together with other associate information) in an associate database of the merchant site. In addition, the enrollment software generates and sends an e-mail message to the associate with instructions for placing referral links within catalog documents.

In a preferred embodiment, the merchant site includes code that maintains a unified shopping cart data structure ("shopping cart") for each ongoing customer shopping session. For each ongoing shopping session, the shopping cart maintains a record of at least: (i) the products that are currently selected by the customer for prospective purchase, and (ii) the referral source (if any) of each such product. In one implementation, each shopping cart persists on the merchant site for an extended period of time (such as one week) following the most recent access by the customer, thereby allowing the customer to conduct extended shopping sessions. To purchase the products represented within the shopping cart, the customer proceeds to a "check out" area of the merchant site and submits an order. Software running on the merchant site then uses the information collected within the shopping cart to identify, and appropriately credit the account of, each associate that provided a corresponding referral.

An important benefit of the shopping cart feature is that it allows the customer to select products from multiple different sites, and then perform a single check-out to purchase all of the selected products. Another benefit is that it provides an efficient mechanism for crediting the accounts of the associates at the time of purchase. Although the use of a shopping cart provides certain advantages, the referral tracking and crediting features of the invention can be implemented without the use of a shopping cart.

In one implementation, the various components are provided on the Web site of AMAZON.COM as part of the AMAZON.COM Associates Program. Through this program, an individual or business entity can register as an AMAZON.COM associate, and can then set up a Web site to market customized subsets of the books (typically in a particular area of expertise) available from the AMAZON.COM site. For example, a computer company can set up a site (or add an area to an existing site) to recommend and sell selected books on computer programming languages, and a Cajun chef can set up a site to recommend and sell selected books on New Orleans style cooking. The associate is in turn paid a commission or other

consideration based on the referrals that result in actual purchases. Because AMAZON.COM handles the various tasks associated with processing orders from customers (including shipping, collections, and customer service), the associate need only be concerned with the administration of the associate Web site.

An important benefit of the invention is that it allows the task of marketing the merchant's products to be efficiently distributed among entities that have established reputations and exposure within their respective fields. Another benefit is that it provides an efficient mechanism for exposing the merchant's Web site to the public, by encouraging others (associates) to set up outgoing links to the merchant's site.

Because the associate enrollment and referral tracking/credit functions are automated in whole or in part, these benefits can be realized with minimal supervision by the merchant. In addition, because the compensation provided to the associates is performance-based (e.g., based on the number of referrals that result in actual sales), the merchant need not be concerned with the existence of large numbers of associates that provide relatively small numbers of referrals.

#### BRIEF DESCRIPTION OF THE DRAWINGS

These and other features and advantages of the invention will now be described with reference to the drawings of certain preferred embodiments, which are intended to illustrate and not to limit the invention, and in which:

FIG. 1 is a high-level architectural drawing illustrating the primary components of a system that operates in accordance with the present invention.

FIG. 2 is an architectural drawing and flow diagram illustrating the enrollment function of the system.

FIGS. 3a-3c are respective screen displays further illustrating the enrollment function.

FIG. 4 illustrates a URL format used to embed referral links within Web documents in accordance with the invention.

FIG. 5 is an architectural drawing and flow diagram illustrating a referral transaction sequence in accordance with the present invention.

FIG. 6 is a screen display illustrating an HTML catalog document of the associate's Web site.

FIG. 7 is an HTML listing illustrating a preferred method for embedding a referral link within a catalog document of an associate's Web site.

FIG. 8 is a screen display illustrating an HTML catalog document detail page of the merchant Web site.

FIG. 9 is a screen display illustrating a preferred shopping cart processing method in accordance with the present invention.

FIGS. 10a-10c are screen displays illustrating HTML documents of the merchant Web site.

In the drawings, the first digit of each reference number indicates the Figure

number in which the referenced item first appears.

#### DETAILED DESCRIPTION OF THE PREFERRED EMBODIMENT

To facilitate a complete understanding of the invention, the description of the preferred embodiment is arranged within the following sections:

1. GLOSSARY OF TERMS AND ACRONYMS
2. OVERVIEW OF SYSTEM COMPONENTS AND OPERATION
3. ASSOCIATE ENROLLMENT FUNCTION
4. REFERRAL TRANSACTION FUNCTION
5. UNIFIED SHOPPING CART FUNCTION
6. REPORT GENERATION FUNCTION
7. CONCLUSION

##### 1. Glossary of Terms and Acronyms

The following terms and acronyms are used throughout the detailed description:

**Client-Server.** A model of interaction in a distributed system in which a program at one site sends a request to a program at another site and waits for a response. The requesting program is called the "client," and the program which responds to the request is called the "server." In the context of the World Wide Web (discussed below), the client is a "Web browser" (or simply "browser") which runs on a computer of a user; the program which responds to browser requests by serving Web pages is commonly referred to as a "Web server."

**Hyperlink.** A navigational link from one document to another, or from one portion (or component) of a document to another. Typically, a hyperlink is displayed as a highlighted word or phrase that can be selected by clicking on it using a mouse to jump to the associated document or documented portion.

**Hypertext System.** A computer-based informational system in which documents (and possibly other types of data entities) are linked together via hyperlinks to form a user-navigable "web."

**Internet.** A collection of interconnected (public and/or private) networks that are linked together by a set of standard protocols (such as TCP/IP and HTTP) to form a global, distributed network. (While this term is intended to refer to what is now commonly known as the Internet, it is also intended to encompass variations which may be made in the future, including changes and additions to existing standard protocols.)

**World Wide Web ("Web").** Used herein to refer generally to both (i) a distributed collection of interlinked, user-viewable hypertext documents (commonly referred to as Web documents or Web pages) that are accessible via the Internet, and (ii) the client and server software components which provide user access to such documents using standardized Internet protocols. Currently, the primary standard protocol for allowing applications to locate and acquire Web documents is HTTP, and the Web pages are encoded using HTML. However, the terms "Web" and "World Wide Web" are intended to encompass future markup languages and transport

protocols which may be used in place of (or in addition to) HTML and HTTP.

Web Site. A computer system that serves informational content over a network using the standard protocols of the World Wide Web. Typically, a Web site corresponds to a particular Internet domain name, such as "amazon.com," and includes the content associated with a particular organization. As used herein, the term is generally intended to encompass both (i) the hardware/software server components that serve the informational content over the network, and (ii) the "back end" hardware/software components, including any non-standard or specialized components, that interact with the server components to perform services for Web site users.

HTML (HyperText Markup Language). A standard coding convention and set of codes for attaching presentation and linking attributes to informational content within documents. (HTML 2.0 is currently the primary standard used for generating Web documents.) During a document authoring stage, the HTML codes (referred to as "tags") are embedded within the informational content of the document. When the Web document (or HTML document) is subsequently transferred from a Web server to a browser, the codes are interpreted by the browser and used to parse and display the document. Additionally in specifying how the Web browser is to display the document, HTML tags can be used to create links to other Web documents (commonly referred to as "hyperlinks"). For more information on HTML, see Ian S. Graham, The HTML Source Book, John Wiley and Sons, Inc., 1995 (ISBN 0471-11894-4).

HTTP (HyperText Transport Protocol). The standard World Wide Web client-server protocol used for the exchange of information (such as HTML documents, and client requests for such documents) between a browser and a Web server. HTTP includes a number of different types of messages which can be sent from the client to the server to request different types of server actions. For example, a "GET" message, which has the format GET, causes the server to return the document or file located at the specified URL.

ISBN (International Standard Book Number). A numerical identifier associated with books, pamphlets, educational kits, microforms, CD-ROM and braille publications in circulation throughout the world. The ISBN is a ten-digit number assigned to each published title that provides an unduplicated, internationally recognized "identity."

URL (Uniform Resource Locator). A unique address which fully specifies the location of a file or other resource on the Internet. The general format of a URL is protocol://machine address:port/path/filename. The port specification is optional, and if none is entered by the user, the browser defaults to the standard port for whatever service is specified as the protocol. For example, if HTTP is specified as the protocol, the browser will use the HTTP default port of 80.

Cookies. A technology that enables a Web server to retrieve information from a user's computer that reveals prior browsing activities of the user. The informational item stored on the user's computer (typically on the hard drive) is commonly referred to as a "cookie." Many standard Web browsers support the use of cookies.

PUSH Technology. An information dissemination technology used to send data to users over a network. In contrast to the World Wide Web (a "pull" technology), in which the client browser must request a Web page before it is sent, PUSH protocols send the informational content to the user computer automatically,

typically based on information pre-specified by the user.

## 2. Overview of System Components and Operation

FIG. 1 illustrates the general architecture of a referral system that operates in accordance with the present invention. The system includes a customer computer 108, an associate Web site 100, and a merchant Web site 106, all of which are linked together by the Internet 104. The customer computer 108 may be any type of computing device that allows a user ("customer") to interactively browse Web sites via a Web browser 112. For example, the customer computer 108 may be a personal computer (PC) that runs the Windows NT operating system.

The merchant Web site 106 is a site that provides various functionality for allowing customers to purchase products, including products selected from the Web sites of associates. Typically, this site will be operated by a business entity (referred to herein as the "merchant") that handles the various order processing, shipping, collections, and customer service tasks associated with the sale of goods. In an implementation described herein, the merchant Web site 106 is the site of AMAZON.COM.

As described below, the site 106 includes enrollment software that implements an online registration process for allowing other entities (individuals, companies, etc.) to register as associates. An entity enrolling as an associate provides the merchant Web site 106 with a completed, online registration application that is processed by an enrollment software program ("SW") at the site 106. The enrollment software creates an entry in the associate database 160 according to the information provided by the enrolling associate.

The associate's Web site 100 is the site of an entity that has registered with the merchant, via the online registration process, to market a subset of the merchant's goods in return for compensation (preferably a performance-based commission). Typically, this site is owned and operated by an individual or business entity ("associate") that is not in the same business as that of the merchant. For example, in the context of the AMAZON.COM Associates Program, the associate may be an individual that is in the business of rating mystery novels.

As described below, because the merchant handles the tasks of processing online orders, shipping products, collecting payment, and providing customer service, the associate need not be concerned with these tasks. Thus, the associate can effectively become an online retailer immediately, by simply enrolling as an associate and setting up a Web site.

In addition, because the merchant Web site 106 includes software for automating the primary functions of doing business with associates (such as associate enrollment, referral transaction processing, and commission tracking and payment), the architecture allows the merchant to do business with large numbers (e.g., thousands) of associates with minimal supervision by the merchant. Further, because the commissions paid to the associates are performance-based, there is little or no downside to the merchant to enrolling marginally-productive associates that provide relatively small numbers of referrals.

In operation, the customer accesses the associate's Web site 100 using a standard Web browser 112, such as Microsoft's Internet Explorer or Netscape's Navigator, which uses the HTTP protocol to communicate with a Web server 116 of the associate's site 100. The Web server 116 accesses a local store of catalog



documents 120 (in the form of HTML or "Web" documents) which can be requested, retrieved and viewed by the customer via the Web browser 112. These catalog documents 120 include information generated by the associate about the various products featured on the associate's Web site 100. Preferably, this information includes editorial descriptions, reviews, and/or recommendations of the products that assist customers in making informed purchasing decisions.

The catalog documents 120 served by the associate's site 100 include special hyperlinks (to Web pages of the merchant Web site 106) for allowing consumers to select products for prospective purchase. Typically, one such hyperlink is provided for each product displayed on the associate's Web site 100. Alternatively, a hyperlink may be provided for a group of products. When a customer selects (e.g., clicks on) the hyperlink associated with a particular product, the customer is automatically connected to the merchant Web site 106, and presented with various options (included within Web pages 136 served from the merchant Web site 106) for allowing the customer to purchase the selected product from the merchant. The hyperlink thus serves as a referral mechanism for referring the customer to the merchant Web site 106.

As described in detail below, the special hyperlinks (also referred to herein as "referral links") of the associate's catalog documents are provided in association with additional information (embedded in a pre-defined format within the associated URL) that is transmitted to the merchant Web site 106 in response to selection of the link. In one implementation, this information includes a unique identifier of the associate (assigned upon enrollment) and a unique identifier of the selected product (such as the ISBN of a book). A computer program 144 of the merchant Web site 106 uses this information to identify the associate that was the source of the referral, and to credit the sale (referral) to the associate if the customer subsequently purchases the product (or group of products). (In other implementations, the crediting of the associate may occur without regard to whether the product is purchased.) Commission payments can then be paid to the associates on a periodic basis (such as once a month). In one implementation, the commission payments are made electronically, via the computer program 144, without the need for involvement by the merchant.

In one implementation, the merchant Web site 106 comprises a product information database (not shown) that stores product pricing information. The computer program 144 of the merchant site 106 uses this pricing information to calculate the proper commission or referral payment.

Although the implementation described herein uses monetary commissions to compensate the associates for referrals, other forms of compensation can be used. For example, an associate (and/or the associate's customers) could be given a discount on products or services sold by the merchant.

In one implementation of the merchant Web site 106, selection of a referral link causes a product detail page 136 to be displayed on the customer computer 108. This detail page 136 is served by the merchant Web site 106, and includes various information provided by the merchant (price, inventory, standard product description, etc.) about the selected product. From this page, a hyperlink can be selected that allows the selected product to be added to a customer "shopping cart."

The shopping cart is a customer-specific data structure that is generated and maintained (within a shopping cart database 152) by executable code of the merchant site 106. The database may be any type of data repository including, for example, an SQL table or ASCII text file. The information stored within the

shopping cart includes a list of the products that have been selected by the customer for prospective purchase, together with an identifier of the referring associate (if any) corresponding to each such product. In one implementation, each shopping cart persists on the site 106 for an extended period of time (such as one week) following the most recent access by the customer, allowing the customer to conduct extended shopping sessions. When the customer proceeds to a check-out area of the merchant site 106 and submits an order for the selected products, the associate identifiers stored within the customer's shopping cart are used to appropriately credit the accounts of the referring associates. Although the shopping cart implementation provides an efficient mechanism for tracking and crediting referral events, referrals can alternatively be credited without the use of a shopping cart, such as by crediting the associate at the time of, or during the same shopping session as, the referral.

Because the identity of the customer is normally unknown to the merchant Web site 106 at the time of the referral event, the site 106 uses cookies technology to identify the customer, so that the customer can be associated with any existing shopping cart created during previous visits to the site 106. This process involves retrieving the cookie 140 from the customer computer 108 with the Web server 132, and then executing a computer program 144 that compares the cookie against information stored in a customer data structure 148. If no shopping cart exists for the customer, or if no cookie exists on the customer computer 108, a shopping cart structure is created for the user. Any of a variety of alternative techniques can be used to identify the customer, including prompting the customer for a user ID, and/or using URL information returned by the customer's Web browser.

Although the embodiment described herein uses Web technology to disseminate the catalog documents, any of a variety of document types and electronic dissemination technologies can be used. For example, the associate's catalog documents may be in the form of hypertextual e-mail messages that are disseminated by a list server, or PUSH documents disseminated by a PUSH server. As interactive television, video-on-demand, and Web TV technologies continue to evolve, it is contemplated that the "catalog documents" will include video advertisements that are displayed to the customer on a television screen. Further, although hypertextual catalog documents are preferably used, it is possible for an associate to use non-hypertextual catalogs (including paper-based product catalogs) that simply instruct the customer to manually enter the appropriate URI (including the referral information) into a browser program.

In addition, although the system is described in the context of "the" associate's Web site, it should be recognized that a given associate can disseminate its catalog documents (using the single associate ID assigned during online registration) from multiple different sites, including sites that use different document formats and transfer protocols. Further, although the system is described herein in the context of a merchant that sells products, it will be recognized that the architecture can also be used to sell services, including online services that are provided over the Internet.

As will be appreciated by those skilled in the art, the use of the URL-embedded referral information to identify the associate allows the associate to be identified, and properly credited for the referral, with a high degree of reliability. For example, in contrast to conventional user tracking techniques, the present method allows the associate to be reliably identified even if the associate Web site 100 operates behind a firewall. In addition, the method provides a high degree of flexibility to the associate. For example, the

associate can change to a different Internet service provider, and can use or switch between multiple catalog dissemination techniques (Web, e-mail, PUSH, etc.), without affecting the ability of the merchant Web site 106 to identify and credit the associate. Moreover, the associate can freely modify its product offerings--without the need for involvement by the merchant--by simply updating product descriptions and corresponding referral links within the catalog.

A significant benefit of the architecture is that it allows the task of marketing the merchant's products to be efficiently distributed among entities that have established reputations and exposure within their respective fields. In the context of the AMAZON.COM Internet bookstore, for example, a well-established computer company can set up an associate site (or an area of an existing site) to recommend its favorite books on programming languages; and an Italian chef can set up a site to recommend his favorite cookbooks on Italian cooking. In implementations that involve sales of other types of products (such as audio/video equipment), the associates may, for example, include testing laboratories that publish test results.

Because the associate enrollment and referral tracking functions are automated (in whole or in part), the referral services provided by the associates take place with little or no human supervision or intervention by the merchant. In addition, because the payments to the associates are performance-based (e.g., based on the number of sales resulting from associate referrals), the merchant need not be concerned with the effectiveness of any given associate site.

The system and method also provide an efficient mechanism for exposing the merchant and the merchant Web site 106 to the public by encouraging others (associates) to set up outgoing links to the merchant's Web site. For example, this may be beneficial where the merchant Web site 106 is configured to support direct sales (i.e., sales that do not involve referrals from associates), as is this case with the site of AMAZON.COM.

The various components and functions of the referral system are described in further detail below.

### 3. Associate Enrollment Function

As indicated above, the merchant Web site 106 includes automated enrollment software (FIG. 1) for allowing an entity to apply, via the Internet, to operate as an associate. The registration process may include the following: (i) the presentation of an online business agreement to the applicants, (ii) the use of an automated "agent" to scan the application text for key inputted terms, including vulgarities and other terms that may serve as a basis for denying the application, (iii) the automated generation and assignment of a unique associate ID (also referred to herein as the "store ID") to an applicant, and (iv) the automated electronic transmission of referral link embedding instructions to the applicant.

FIG. 2 illustrates the general flow of information between components when an associate applicant uses a computer 200 to enroll as an associate. The computer 200 includes a conventional Web browser 204 which communicates with the merchant Web server 132 using the HTTP protocol. The Web server 132 accesses a local store 136 of HTML documents (Web pages) which can be requested, retrieved and viewed by the applicant via the Web browser 204. These documents may, for example, include information about registering online to become an associate. Access to the merchant Web site 106 and the enrollment function is available to any client computer 200, and the enrolling associate is not required to have an

established Web site at the time of enrollment.

As further illustrated in FIG. 2, the enrolling associate begins the enrollment function by selecting the proper hyperlink from the merchant Web page 136 containing online registration instructions. The merchant Web server 132 accesses a local store of HTML documents 136 and returns an online registration application document 208 (also shown in FIGS. 3a-3c) to the enrolling associate's Web browser 204. The enrolling associate can then fill out the detailed online application form 208.

Referring to FIGS. 3a-3c, a preferred embodiment of the online application form 208 is shown. The application requests information about the enrolling associate, including the web server to be used for the associate's Web site, the associate Web site's descriptive name, and the e-mail address of the enrolling associate. Many alternative formats to the online application form are possible and FIGS. 3a-3c are only representative of the types of information that may be requested.

With further reference to FIG. 2, once the electronic application form 204 is completed by the enrolling associate, it is sent from the associate's computer 200 to the merchant Web server 132 for further processing. As will be appreciated by those skilled in the art, other forms of enrollment processing may be used, including but not limited to regular mail and electronic mail. In addition, although the automated enrollment function is preferably handled by the same computer system that handles the referral processing function, these functions could be performed by dedicated, physically distinct computer systems or sites.

In response to submission of the enrollment form, the merchant Web server 132 initiates a computer program 144 comprising enrollment software that processes the information contained on the electronic application form 208. In one implementation, an agent is used to scan the application text for pre-specified terms, and to flag the application for further review (such as by a staff member) if such a term exists. If no such term is found, and the application is complete, the enrollment software automatically accepts the application.

As part of this online registration, once the application has been processed (either automatically or with human intervention), the enrollment software generates a unique store ID to be assigned to the associate. In addition, the enrollment software creates a database entry corresponding to the enrolling associate and stores the store ID and the information provided by the enrolling associate as a unique entry in an associate database 160. The database may be any type of data repository including, for example, an SQL table or ASCII text file. This database entry allows the merchant Web site 106 to properly track and credit associate referrals, as further described below.

Next, the computer program 144 automatically formats and transmits an electronic mail message to the e-mail address of the approved associate. This electronic mail message provides detailed information about setting up an associate's Web site, including instructions on how to create HTML documents with referral links. These instructions specify a predefined format for embedding the store ID and unique product IDs with the HTML link structures. In addition, the e-mail message includes the unique store ID (generated by the enrollment software), and includes instructions on obtaining unique product IDs. The associate can obtain the unique product IDs by browsing the merchant Web site 106. Alternatively, the unique product IDs may be obtained by the associate through a specific electronic mail request, or may be provided by the merchant Web site when the

initial electronic mail response is sent. A preferred set of linking instructions that are sent to new associates is included as Appendix A.

FIG. 4 illustrates a preferred format of a URL 400 used by an associate to create a referral link to the merchant Web site. This format is recognized by parsing software (FIG. 1) that runs on the merchant Web site. The URL 400 comprises the merchant Web server information 402, the unique product ID 404, the unique store ID 406, and an associate commission scheme ID 408. The unique store ID 406 represents the information created and stored in the associate's database during the associate enrollment process described above. In the AMAZON.COM implementation, the unique product ID 404 is the ISBN of a book that is available from the AMAZON.COM Web site. The associate commission scheme ID is an optional feature that can be used to specify a commission percentage or method for calculating the referral commission.

Upon receipt of the special linking instructions, the associate can begin to build the content (catalog documents) of the associate's Web site, including the descriptions of the products to be featured on the site. An associate can begin to refer customers to the merchant Web site 106 at anytime; however, no credit may be given to the associate for referred customers until the associate has included properly-formatted referral links within its product catalog. Additionally, referral credit may be withheld if the merchant has not yet authenticated and qualified the associate Web site for business.

#### 4. Referral Transaction Function

A preferred method for processing referral events will now be described with reference to FIGS. 5-7. Referring to FIG. 5, which depicts an example sequence of events, a customer accesses an associate's Web site 100 via the customer computer 108. The customer computer 108 includes a conventional Web browser 112 which communicates with the associate's Web server 116 using the HTTP protocol. As depicted by events A and B, the Web server 116 accesses a local store of catalog documents 120 (Web pages) which can be requested, retrieved and viewed by the customer via the Web browser 112. As described above, these catalog documents 120 include information about the various products featured at the associate's Web site 100. Preferably, this information includes editorial descriptions, reviews, and recommendations generated by the associate.

FIG. 6 illustrates an example HTML catalog document (Web page) 120 in accordance with the present invention. The customer views the product catalog document 120 via the Web browser 112 in order to select a particular product (book) offered through the associate's Web site 100. In this example, the catalog document 120 comprises a graphic icon 600 that is a scaled-down replica of an actual book cover. The graphic icon 600 also functions as a hyperlink, allowing the customer to click on the icon with a mouse in order to link to the merchant Web site 106. The document 120 includes the title 602 and author of the book 604, and includes an editorial description and recommendation of the book 606 from the associate. The catalog document 120 also contains another textual hyperlink 608, allowing the customer to link to the merchant Web site 106 and initiate referral transaction processing. Typically, the associate's product catalog (which may include multiple catalog pages) contains several referral links (with different product IDs), each corresponding to a different product sold by the merchant.

FIG. 7 is an HTML source code listing which illustrates a preferred format for including a referral link within an HTML catalog document. The source code of FIG. 7 corresponds to the product catalog document 120 illustrated in FIG. 6. In this example, the referral link (included between the HTML anchor tags "A" and

"/A") consists of the URL `http://www.amazon.com/exec/obidos/ISBN=0809232022/skinetA/` and the corresponding textual description "Click here to order Terrain Skiing!". The URL is identified as such by the standard HREF (hypertext reference) tag. The portion of the URL preceding "skinetA" uniquely identifies a product detail page (of the AMAZON.COM site) of a book having an ISBN of 0809232022. As described below, the "skinetA" portion of the URL identifies both the referring associate and a commission scheme. The referral link is included within the document such that selection by the customer of the text "Click here to order Terrain Skiing!" causes the Web browser 112 to transmit the URL on the Internet 104 via a standard HTTP message.

Further referring to FIG. 5, upon clicking or otherwise selecting the referral link 608 of the associate's catalog document 120 (event C), the Web browser 112 communicates with the merchant Web server 132 (events D-F) to access HTML documents 136 of the merchant Web site 106. Initially, the customer is shown a product detail page that provides detailed information about the selected product, and allows the customer to add the selected product to the shopping cart (described below). The Web server 132 also serves Web pages (including dynamically-generated pages) that display and allow the customer to edit the contents of the shopping cart, and that allow the customer to proceed to a check-out area to order the selected products.

Once the customer has linked to the merchant Web site 106, the customer can use the navigational controls of the Web browser 112 to return to the associate's Web site 100. In addition, the detail page and/or the shopping cart page may be provided with a hyperlink to allow the customer to return to the associate's Web site 100. Another alternative is for the associate Web site 100 to be created using an HTML frame format. The bottom frame can be designated as the target area frame for the merchant's Web site 106. The top frame can provide navigational controls for the customer to return to the associate's Web site 100 after selection of a particular product at the merchant's Web site 106. This allows the customer to maintain an associate's Web page frame while viewing and processing product purchases at the merchant's Web site 106.

Following the referral event, the customer can browse the merchant Web site 106 for additional products, and can add these products to the shopping cart. In one configuration option, the referring associate is given commission credit for all additional products thereafter selected (during the current browsing session) from the merchant Web site 106, assuming the customer subsequently purchases these products. In another configuration option, the associate is only credited for the purchase of the product that was the subject of the referral.

The sequence of events that takes place when the customer clicks on the referral link 608 will now be described in greater detail. Before the product detail page 136 is sent to the customer's Web browser 112, the merchant Web server 132 initiates a computer program 144 to conduct several processing steps. As depicted by event E1 in FIG. 5, the computer program 144 executes parsing software (FIG. 1) to parse the URL passed to the merchant Web server 132. The parsing software extracts the unique product ID (ISBN), the unique store ID associated with a particular associate, and an optional associate commission ID from the URL data string. For example, if the URL string is

`http://www.amazon.com/exec/obidos/ISBN=0809232022/mystoreA/`,

the parsing software parses the string to extract the unique product ID (ISBN) of 0809232022, the unique store ID of "mystore," and the commission ID of "A." In one implementation, the software 144 uses the commission ID to calculate an

appropriate commission (e.g. 10% of merchant's sales price) to apply to the associate's account. As described below, if the customer subsequently adds the selected product to the shopping cart, the extracted information is recorded within a shopping cart data structure that corresponds to the customer.

#### 5. Unified Shopping Cart Function

As discussed above, the present invention provides a system for maintaining a unified shopping cart that stores product information associated with product referrals from multiple Web sites, and keeps track of the sources (associates) of such referrals. One benefit of this feature is that it enables the customer to perform a single "check out" to purchase products from multiple Web sites. Additionally, this feature allows the merchant Web site 106 to accurately track and credit each associate, on a per-product-sale basis, that has referred a customer. For example, if, upon "check-out" from the merchant Web site 106, the customer has three books listed in the shopping cart, each of which resulted from a referral from a different associate Web site, each associate will be credited for its respective referral. While the shopping cart feature is particularly useful in the context of the disclosed referral system, the feature can also be applied to other types of Internet shopping systems that support shopping from multiple Web sites, including systems that use remote "agents" to monitor Web sites based on pre-specified selections of the customer.

The data structures and processing steps that implement the shopping cart will now be described with further reference to FIG. 5. As indicated above, the shopping cart maintains a customer-specific record of the products that have been selected by the customer, including the identities of any associate Web sites that acted as referral sources with respect to such products. Preferably, the computer program 144 maintains this information in a data structure that is stored on the Web site 106 for an extended period of time (such as one week) since the last access to the shopping cart by the user. This allows the customer to discontinue and later resume a shopping session without loss of the shopping cart data.

Upon customer selection of a referral link, the computer program 144 utilizes the customer cookie information 140 passed through an HTTP call to determine whether the particular customer (or technically, the customer computer 108) already has an open shopping cart (event E2). As part of this process, the computer program 144 executes cookie processing software (FIG. 1), which assigns a unique customer ID to the customer based on the cookie information 140. If the customer's Web browser 112 does not support the use of cookies (or if the cookies feature is disabled) the program 144 uses URL information received from the Web browser to generate the customer ID.

The customer ID is in turn used by the software 144 to identify any shopping cart currently associated with the customer. If no shopping cart exists for the customer, a new shopping cart structure (which includes the customer ID) is generated within the shopping cart database 152. The customer ID is also stored in a customer database 148. The algorithm used by the program 144 to generate the customer IDs is such that a cookie retrieved from the same customer computer will consistently produce the same customer ID. Thus, assuming the customer always uses the same computer to access the merchant site 106, and that the browser 112 supports the use of cookies, the customer will be assigned the same customer ID, and will be associated with any existing shopping cart.

In one implementation, once the customer has been referred to the merchant site 106 and the customer ID has been determined, the merchant site dynamically

includes this ID within hyperlinks of the detail page and other Web pages that are sent to the customer computer 108. When the customer subsequently selects such a link (such as to add a selected product to the shopping cart), the customer ID is automatically transmitted to the merchant site 106 as part of the HTTP message. This allows the merchant site 106 to identify the customer (and shopping cart) without the need to re-request the cookie from the customer computer.

During the process of displaying detail pages and allowing the customer to add products to the shopping cart, neither the merchant site 106 nor the associate sites have access to the customer's personal information (name, address, credit card number, etc.). Thus, the system advantageously allows the customer to shop anonymously. Only when an order is actually submitted does the merchant site 106 obtain access to the customer's information, and at no time is the information provided to the associate sites.

With further reference to FIG. 5, the shopping cart is stored as a table or data structure within the shopping cart database 152, along with individual product selections made by customers. If the customer has an existing shopping cart, the computer program 144 will create another product selection entry within the shopping cart database 152, as indicated generally by event E3. If the customer does not have an existing shopping cart, then the computer program will create a new shopping cart data structure within the shopping cart database 152. The product selection entry within the shopping cart database 152 includes the store ID and product ID. If a product is selected directly from the merchant Web site 106, the corresponding store ID field may be blank or encoded with merchant-specific information. Other information may be stored in the shopping cart to implement the specific business procedures of the particular merchant.

When the customer subsequently purchases a product or products contained in the shopping cart, the associate's unique store ID maintained in the associate data structure 160 is used to appropriately credit the associate's account. During this process (or at the time of the referral) the computer program 144 determines whether the store ID represents a valid (enrolled) associate in the associates database 160. The processing at the merchant Web site 106 maintaining the associate's store ID in the shopping cart allows the system to obtain pricing information for a product and associate. In this way, the computer program 144 can be configured to generate special discounts or pricing incentives to the customer or associate depending on a particular business relationship.

The shopping cart stored in the shopping cart database 152 is maintained by the computer program 144 running at the merchant Web site 106 that monitors the open entries (non-closed shopping carts) in the shopping cart database 152. The shopping cart database 152 includes the customer ID, the date the shopping cart was opened (open date), and the date last accessed (touch date). The shopping cart database is monitored by the computer program 144 to purge all shopping carts that have been inactive (untouched) for a pre-defined period of time, such as one week.

FIG. 8 illustrates an example of an HTML catalog document (Web page) 136 corresponding to the product detail page. After processing a referral URL, the merchant Web server 132 sends the detail page 136 to the customer's Web browser 112 to provide the customer with additional information about the selected product. The product detail page includes the merchant's information (price, standard description, etc.) about the selected product. The product detail page 136 is shown with the URL passed to the customer Web browser 112 from the



merchant Web server.

The URL (shown at the top of FIG. 8) comprises the unique customer ID 800 (obtained from the customer's cookie or URL information), the product ID 802 (shown as the ISBN of the Terrain Skiing book), the store ID 804 (shown as the "skinet" Web site), and the associate commission ID 806 (the letter "A"). Once the customer has reviewed the product detail page 136, the customer can select the "Add it to your Shopping Cart" hyperlink 808. When the customer clicks on this hyperlink 808, the merchant Web server 132 returns a dynamically-generated HTML document that displays the contents of the shopping cart.

FIG. 9 illustrates an example HTML document 136 (Web page) corresponding to the customer shopping cart. The customer shopping cart document 136 displays information about the products currently selected by the customer for prospective purchase. In this example, the selection item 902 is displayed to the customer as the "Terrain Skiing" book previously selected. From this page 136, the customer may leave the shopping cart page, without proceeding to check-out, by either selecting the "continue shopping" link 904 or by using a Web browser navigational control to proceed to a different Web page.

FIG. 10a represents another associate's Web site where the customer can view products featured with editorial comments. For purposes of this example, it may be assumed that the customer proceeded directly to this site (e.g., by selecting a "favorite places" URL) from the shopping cart page of FIG. 9. If the customer selects the hyperlink 1000, the merchant Web server returns the product detail page for the "Cooking with Daniel Boulud" book, as illustrated in FIG. 10b. The customer may then add this book to the shopping cart by selecting the "Add it to your Shopping Cart" hyperlink 1002, and the customer will then be brought to the shopping cart Web page illustrated in FIG. 10c. The shopping cart now has product selection items corresponding to the two books selected by the customer during the shopping session, and each of these product selection items is stored in the shopping cart database to uniquely identify the respective associate that made the referral. When the customer selects the "Proceed to Checkout" hyperlink 1004 on the shopping cart Web page, the merchant Web site returns a form document (not shown) that allows the customer to specify payment information, shipping information, and other information needed to process the order.

As illustrated by the above example, one customer shopping cart can have line items (corresponding to book selections) from many different associate Web sites. In addition, the shopping cart can include line items of books that have been selected directly from the merchant. As described above, because the shopping cart keeps track of each referral, the referring associates can efficiently be credited for their respective referrals upon order submission, without the need for the customer to perform multiple "check-outs."

The merchant Web site includes credit generation software for calculating associate referral credit. Referral credit may be calculated in any of a number of ways depending on the associate and merchant business relationship, and may be provided to the associate on a periodic basis, such as at the end of each calendar quarter. For example, the associate may be paid a fixed percentage of the list selling price. As indicated above, commission payments may be made automatically using an appropriate electronic payment method.

As will be appreciated from the foregoing, the shopping cart feature of the system enables the customer to view the entire shopping experience as a seamless, automated shopping session. The seamless nature of the session allows the customer to shop for products based on the marketing expertise of the

associates, while conveniently utilizing the merchant's order fulfillment resources.

#### 6. Report Generation Function

The merchant Web site also preferably includes report generation software (FIG. 1) that automatically generates and transmits associate feedback reports to respective associates, based on information stored by the merchant Web site. The software can be configured to generate the reports on a daily, weekly, monthly and/or annual basis. The information contained within these reports enables the associates to evaluate the effectiveness of their Web sites on a per-product basis.

One report produced by the AMAZON.COM site is the "Weekly Activity Report." An example of such a report is included as Appendix B. This report provides information about the number of books ordered through the associate's referral links, the number of selections (hits) of each referral link, and the amount of referral credit earned on orders in the time period.

Various other types of information can be provided within the feedback reports to assist the associates in conducting business. For example, the reports can provide anonymous demographic data about the customers that made purchases from the associate site, including the geographic regions (as determined from shipping addresses) of such customers. Additionally, the reports can provide special notices, including notices about books that pay lower referral credit to associates, and any problems occurring with an associate's referral links. The report generation feature also may provide associates with the ability to access an on-line menu to generate custom feedback reports (such as a report of the number of referrals during a specific period of time), or to set up a report profile that specifies the content, format and frequency of the automated reports.

#### 7. Conclusion

While the invention has been described herein with reference to certain preferred embodiments, these embodiments have been presented by way of example only, and not to limit the scope of the invention. Accordingly, the scope of the invention should be defined only in accordance with the claims that follow.

In the following claims, reference characters used to designate claim steps are provided for convenience of description only, and are not intended to imply any particular order for performing the steps.

#### APPENDIX A

Date: Tue, 24 Jun 1997 02:11:28 -0700 (PDT)

To: mystore@aol.com

Subject: Amazon.com Books: Thank you for your application

Cc: associates@amazon.com

Thanks for submitting your application to participate in the Amazon.com Associates Program. Your application has been temporarily approved. We'll contact you by e-mail once we have reviewed and approved your application.

\*Important\*: Be sure to save this email message--you will need some of the information here to properly set up your links to Amazon.com. You can set up your Web site now. You have been assigned a unique

Associates ID. You'll use this ID when linking your sponsoring Web site into our catalog; detailed instructions are included at the end of this message.

Your unique Associates ID is: mystore.

USING THE AMAZON.COM BRAND NAME

As you may already know, Amazon.com has received a great deal of very positive press coverage since we opened. From The Wall Street Journal, Newsweek and the Associated Press to PC Magazine and WebWeek, mainstream and industry press alike have helped to make the Amazon.com brand name one of the more well-known among Internet sites.

Our extensive advertising campaign reaches users of many major Web services and search tools, and our printed ads are found in places like the

New York Times Review of Books. You should consider using not only our name but one of the logos or banners found on our site at:

<http://www.amazon.com/exec/obidos/subst/assoc-art.html>

so that your visitors have the chance to recognize our name as a familiar

and trustworthy Internet retailer working in association with you.

SUGGESTIONS FOR SUCCESSFUL PRESENTATION:

We've put a page on our Web site filled with suggestions for building a great online bookstore. These tips are taken from our most successful Associates, and we highly recommend reading them. Follow the link on our home page to "Build Your Own Bookstore", and from there link to "Build a Great Bookstore". You can also connect directly at this URL:

<http://www.amazon.com/exec/obidos/subst/assoc-success-tips.html>

HOW TO LINK INTO OUR CATALOG:

You can use any sort of book descriptions, review material and graphics that you like when describing books on your Web site. All we need is a separate link into our catalog for each book you wish to recommend. You may add or remove these links at any time without our prior approval; as long as they follow the prescribed format we'll detect them automatically

when they are used.

Each link to our catalog will be the same except for the ISBN of the book.

You'll see the "isbn=" part of the link at the end of each example below.

To find the ISBN of the book you wish to list, use our Web site and search

for that book with any of our search tools. The ISBN for each edition (hardcover, paperback, book on tape) is displayed on the detail page for that book.

Remember--you may change which books you list whenever you like. You won't need our permission and it's not even necessary to advise us of the

changes--they'll be automatically detected and commissioned properly.

EXAMPLE:

For each book you recommend, link it to us like this:

<http://www.amazon.com/exec/obidos/ISBN=1234567890/mystoreA/>

Note: You *must* use a capital A at the end of this link, not a lower-case a.

Of course, the ISBN will change for each book. Do not include any spaces or dashes in the ISBN when making these links. Also, make sure to check our catalog first--we can only sell what's listed there.

VERY IMPORTANT: If you copy the URL of a book page from our Web site and modify it to fit the format above, be sure to remove the

19-character shopping cart ID that appears at the end of the bookmarked or copied URL. Your store code should immediately follow the ISBN as in the example above. If you leave this in your modified links, they will not

work properly.

The information we have about your Web site is as follows:

Contact e-mail Address:

mystore@aol.com

Contact address:

John Doe

1234 East Road

Anytown

WA

12345

Payee e-mail address:

mystore@aol.com

Payee address:

Doe Enterprises, Inc.

1234 East Road

Anytown

WA

12345

Description of books you intend to list:

Business Books - How to Business Books

Sponsoring Web site name:

Sponsoring Web site URL:

Your Web site name, in the format we may use on our website:

Mystore - Anytown, WA in association with Amazon.com Books

If you have any questions, you can e-mail us at [associates@amazon.com](mailto:associates@amazon.com) and we'll be happy to help.

Once again, thanks for your application.

Sincerely,

Associates staff

Amazon.com Books

<http://www.amazon.com/>

2.5 million titles, consistently low prices

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#### APPENDIX B

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#### Amazon.com Associates Program

##### Weekly Activity Reports

Every week, we e-mail our Associates a detailed activity report so that they can track the effectiveness of their efforts. A sample of the report

shows what you can expect to receive weekly:

##### Sample Weekly Activity Report

##### Last Week's Sales Results

Note: This report includes a column labeled "ORDERED," which is the weekly number of copies for which orders have been placed through your special links. Only after these orders are paid for and shipped will they

actually count toward your referral fee. Some of these orders may later be

canceled, customers' credit cards may be declined, and occasional returns

should be expected; in any of these cases, the referral fee will not be

earned.

The column labeled "HITS" represents the number of times one of your visitors clicked on a book (this column can help you gauge your visitors' interest in the books you are selling).

The column labeled "REFERRAL FEE" represent the referral fees your site has earned on orders. Please remember that we pay you based on orders \*shipped\*, so your actual Referral Fee may be somewhat lower than the fee stated here.

Look for special notices in the titles listed below. They can help you track

books that may not pay referral fees and identify certain problems with the

link format you may be using

\*\*1\*\* indicates that this item is currently being featured at a discount of

more than 30%.

\*\*2\*\* indicates that this item is "special order" or carries no discount. Other notes may indicate problems with a link format or items no longer carried in our catalog.

Quarter-to-Date Books Ordered:

105

Quarter-to-Date Qualified Book Revenue:

4266.46

Quarter-to-Date Referral Fees:

519.04

Click-throughs and sales by individual book for the week of 12-Jan-97 through 18-Jan-97

Store ID mystore

ISBN	HITS	ORDERED	YOUR FEE	TITLE
0534517072	4	2	1.70	**2** Earth Online: An Internet Guide 2 sold at 0% off list price of 16.95
0672309599	3	0	0.00	Microsoft SQL Server 6.5 Dba Survival G
0764530038	2	0	0.00	Danny Goodman's JavaScript Handbook
0789704927	355	11	65.99	Building Delphi 2 Database Applications 11 sold at 20% off list price of 49.99
0789704943	2	0	0.00	Using VRML
0789707500	1	0	0.00	Delphi 2 Tutor: The Interactive Seminar
1568302894	110	6	8.10	**1** Creating Killer Web Sites: The A sold at 40% off the list price of 45.00

Totals: 4 / 19 75.79

Number of Visitors on 19-Jan-97

68

Number of Visitors on 20-Jan-97

65

Number of Visitors on 21-Jan-97

54

Number of Visitors on 22-Jan-97

59

Number of Visitors on 23-Jan-97

50

Number of Visitors on 24-Jan-97

47

Number of Visitors on 25-Jan-97

32

Total Visitors this week

375

NOTE: A "Visitor" is a person who click on book links from your site, and is counted as 1 visitor (above) regardless of the number of different titles they click on. We keep track of this by watching their shopping cart ID, which remains the same for every book they click on.

A "Hit" is any person clicking on a book link, and each click is counted as 1 hit. If the same visitor click on 5 different titles, we record 1 visitor and 5 hits. Therefore, you should expect the number of visitors to be lower than the total number of hits.



Disclosed is a network based "pay-per-email" communication services and financial transfer system and method that enables a "caller" party to transmit communication through an merchant intermediary to a "receiving" party for a fee or cost which financially benefits the merchant intermediary or "receiving" party.

In essence, the system and method enables a "caller" party, such as a sports fan, to send an electronic message to a famous or known party, such as a professional athlete, in a manner that financially benefits the famous or known party.

The system and method include an merchant intermediary with a network presence that enables a "caller" party who has network access to locate an account or address associated with a specific "receiver" party, to compose or to format a communication, to pay a fee or bear a cost for the right or opportunity to transmit information or communication to the designated "receiver", and to transmit the "caller" party's communication through the merchant intermediary to the account of the "receiver" party.

The merchant intermediary encrypts or keeps secret from the "caller" party the address or location of the "receiver" party's account or address, formats the caller party's communication or transmission, transacts or processes the "caller's" payment or transfers rendered, transmits the "caller's" communication to the account of the receiver, and accounts to and compensates the "receiver" party for participating in the system or for downloading a caller's transmitted communications. The merchant intermediary takes measures to authenticate the identity and associations of the receiver party before any communication or payment is released to the "receiver party".



The receiver is credited or compensated when the receiver's account or address is accessed, the receiver's identity is confirmed by the entry of a security code established with receiver party, and the receiver or the receiver party's agent downloads the callers' communication from the receiver's associated account or when the receiver otherwise directs the communication to be sent or directed.

The system and method enables the receiver party to receive compensation for granting others the right to transmit communication to an account associated with the receiver party (whether or not the receiver party views or responds to the caller's transmission or communications), to profit from their fame or renown in a unique or additional means, to offer personalized access to those caller parties with sufficient interest or finances to pay for the right to transmit communication, to generate revenue to cover the associated costs of communicating with others, to develop and to address those caller parties interested in the receiver, to offer a public means by which the public may access them, and to receive communication or information they may not otherwise receive.

The "caller" party benefits from financially supporting the "receiver" party, benefits from some degree of assurance that the caller's communication will be transmitted to an account that is authentically associated with the "receiver" party, and benefits in that the "caller" party will only be billed or charged when or if the caller's communication in the "receiver's" account is downloaded by the "receiving" party or at the receiving party's direction. Because the famous or known party is financially compensated, the caller has more reason to believe that it is more likely that the famous or renown party will view the caller's transmission and potentially respond.

The general public benefits from gaining access to persons whom the public might otherwise not be able to access, from the opportunity or means to make potentially smaller transactions or transfers, and from using a system that addresses current market failure in addressing other parties, high transaction costs, and lack of information or organization.

The system and method is not limited to "e-mail" and has application, to all areas of communication or transmission including voice, video, audio, interactive television, auctions, radio, telecommunications, paging, wireless communications, the internet, internet chat, two-way cable service, broadcasting, and satellite communications. The system and method have application whenever 2 or more devices or means communicate or transfer data by means of a network, through transmissions, or through an intermediary device or means.

## CLAIMS

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### The claims

1. A method for facilitating communication in which one party pays a fee or bears a cost to transmit a communication to another party, comprising:
  - a merchant intermediary who:
    - i. establishes an interface, site, identifier, or network presence on one or more networks or devices;
    - ii. establishes identifiers, channels, codes, e-mail addresses, web site addresses, storage accounts, or other repositories, or pass-through accounts, addresses, sites or means;
    - iii. establishes unique sites, accounts, or addresses for unique receiver in which the merchant intermediary may segregate or pass through transmissions directed to a specific receiver, account, or address

- iv. establishes a means for users to locate the address or account of a specific receiver;
  - v. provides services or means to allow fans to create, to format, or to direct communications or transmissions;
  - vi. provides services or means to allow callers to pay for, to license, or otherwise to compensate the merchant intermediary or the receiver;
  - vii. charges callers or otherwise processes financial transactions or transfers associated with a caller's buying the right or the opportunity to transmit communication to a specific account
  - viii. authorizes or accounts for fees, revenues, costs, and other items;
  - ix. transmits, stores, holds, or distributes communication to receivers or to an account or address or location associated with receiver;
  - x. compensates or pays receivers for his or her or their participation.
- A recipient of communication ("Star" as in rock star) who:
  - i. Agrees to let others transmit communication to an account associated with the Star's name or name and likeness for a fee or for other compensation or benefits;
- An initiator of communication ("fan" as in rock fan) with a television, computer, phone, or other device with access to a network who:
  - i. Desires to communicate with another person, organization, or entity;
  - ii. Finds the appropriate network interface on the merchant intermediary site, network presence, or other location for the purpose of transmitting communication to the star;
  - iii. Constructs a communication;
  - iv. Pays a fee or bears a cost or otherwise compensates directly or indirectly the merchant intermediary or the star for the opportunity to transmit the communication;
  - v. Transmits communication to the star.
- The present invention allows a fan with a television, computer, or other device and access to a network to search a server or other database including hypertext links or other connecting or associative means or mechanisms of intellectual property in electronic or digital form; to find and to select the desired intellectual property; to establish a legal contract or license agreement on the terms of use of the intellectual property and the price or cost; to purchase or to license rights to the intellectual property; to pay a usage fee or debit an account or utilize a subscription or to view advertising or bear some other form of payment, cost, charge or combinations thereof; to transfer the intellectual property to the Fan's computer, television, or other device for temporal, licensed, or permanent use; and to use a copy of the intellectual property consistent with the terms of the license, contract, or agreement.

- a browsable or searchable database of potential recipients,
- 2.
- 3. bears a cost, or otherwise creates value for another

establishes a browsable, searchable, or identifying interface which could represent a database of potential Star recipients or a specialized frame, page, window, or code which may appear associated with another page, window, or context and which may be descriptive of a particular individual, organization, or entity and allows a Fan access to transmit communication for a fee;



*A method and system to enable, to organize, to facilitate, and to transact communications for a fee or cost over a network*

#### ABSTRACT

The present invention is a method and system for enabling, organizing, and facilitating the transmission of communication for a fee or cost over a network such as the Internet.

#### FIELD OF THE INVENTION

This invention relates to electronic commerce, financial transfers, and communications or transmissions over a network. Specifically, this invention relates to information processing methods and systems for enabling, organizing, marketing, and selling communication transmission services via the Internet or other interactive network.

#### APPENDICES

Included as Appendices A and B are documents that illustrate a preferred embodiment of the invention. These materials form part of the disclosure of the specification.

#### BACKGROUND OF THE INVENTION

One problem is that there is no organized method or system to enable a member of the general public ("caller party" or "fan") with network access to transmit communication over a network to an account or address associated with a receiver party where the receiver party charges the caller party (or another party) a fee or cost in exchange for the receiver party's time, advice, answer, right of access, retention, grant of

rights to the caller party to allow caller party to transmit communication to the receiver party, or other rights, opportunities, material, or advantage granted by receiver party to caller party.

For example, no system or method currently enables a caller party with network access to pay a fee to transmit a communication over a network to a receiver party where a part of the caller party's fee or cost benefits the receiver party. As a corollary, no system or method currently enables a receiver party to charge a fee or cost to another for the right to transmit communication to the account or address of a receiver party such that the receiver party benefits financially.

Many potential transactions and communications fail to be consummated or transmitted. Examples include current situations where a lawyer or accountant will only answer a question or read a communication if he is paid to do so. Another example is a situation where a caller party will pay to transmit a request for a recommendation for a financial portfolio or stock but where the financial planner or broker will provide his service or answer only if he is compensated for his recommendation. Another example is a situation where a caller party would pay to transmit a request for technical assistance or support but where the technical support system will supply an answer only if it is compensated. Another situation is where a caller party will pay to transmit a request for a psychic reading or horoscope forecast. Another example would be a situation where a fan will pay to transmit communication to a famous athlete, rock musician, or fashion model.

Secondly, there is no method or system existing to adequately price the right to transmit communication over a network to the account or address of a receiver party, such as for example a publicly known or famous party such as a celebrity or famous athlete.

Problems can occur in situations where without a threshold cost to the "caller" party, too many Caller parties would transmit too much communications such that the receiver party is overwhelmed. Particularly, a receiver party would be overwhelmed if he is not financially supported or compensated for his efforts. In many cases, a receiver party would not provide an

address or account for the public to access. A receiver party currently has no direct financial incentive to receive these communications.

Currently a party in the general public ("Fan" or "Caller") who already has network access may transmit as many emails as he wishes of whatever length that he wishes without additional cost. While increasing the amount of communication and reducing costs is beneficial in most cases, in some cases, this basically unlimited transmission right can negatively effect a "receiver party" or create market failure because the receiver party can be overwhelmed by the amount and length of the communication. In some cases, there is a market failure where a Fan does not have to pay to transmit a communication and where a receiver party is not compensated to cover the receiver party's costs or time associated with receiving or processing the communication. In that case, a receiver party may choose to not provide a publicly accessible network account or address. In this situation, some valuable communication is doubtlessly lost, not attempted, or not completed. Because there is simply an excess demand by caller parties for transmission at no cost and an inadequate supply of receiver party's time, attention, or other resources to devote to the task, many of these transactions or transmissions will likely not occur. A mechanism that would price the right of transmission would address these supply-demand and misallocation issues and provide incentive or benefits to the receiver party to increase the supply or resources devoted to processing the transmissions or to instituting a publicly addressed account or address.

It is possible that pricing a currently free commodity or pricing a currently nonexistent commodity may reduce the caller party's demand to transmit communication and thereby theoretically reduce the amount of communication that would have occurred if the commodity remained free. But this objection is unrealistic because many receiver parties currently do not participate in receiving transmissions because they are not compensated. Therefore the actual current level of communication is greatly reduced from what would be an optimal level.



Additionally, just as a 32 cent stamp will likely not dissuade a person from mailing a letter if he considers it important enough, a charge for particular communications will likely not dissuade those who consider the communication important enough from transmitting even if there is an associated fee or cost to the caller or sender party. In fact, the threshold cost or fee may serve to focus the caller party's attention on the communication and make the expression more concise and better written. If so, the more important issues may surface more readily and be more clearly in focus. Additionally, the objective of compensating receiver parties for their efforts will encourage more receiver parties to participate and to devote more resources to receiving transmissions and thereby increase the amount of communication.

In the preferred embodiment of the present invention, the stage when the caller party incurs a cost or fee occurs at the stage of the caller party's transmission of the communication even though the cost or fee may be additionally associated with rights or other advantages conferred on the caller party at a later or subsequent time. For example, the present invention addresses situations where for example the receiver party may charge the caller party or another party for the right for a caller to transmit a communication to the receiver party's account, for downloading the caller's communication, for reading or viewing the caller's communication, for considering the caller's communication, for responding to the caller's communication, for providing a content or material response to the caller's communication, or in other similar situations but the charge or fee to the caller party is incurred at the time or location when or where the caller party initially agrees to transmit the communication.

Thirdly there's a problem where a receiver party is unable to exploit their fame or renown in an efficient, profitable, or timely manner.

Realistically, the general public's attention span and interest is fast-changing and fickle. Many stars' fame or renown is fleeting. The window of maximum financial exploitation of their fame or notoriety can be short. Having an additional or

efficient mode to exploit fame during the time period of its greatest public exposure will likely optimize the profits that can be derived from a star's renown, notoriety, or fame.

Receiver parties exploit their fame in many ways including endorsing products or services, making personal appearances, appearing in products or media or advertising, appearing in entertainment vehicles, or otherwise exploiting for profit their talents, services, name, likeness, or the public interest in them.

One problem with celebrities appearing in or endorsing products is that often it takes a significant amount of time to develop, manufacture, advertise, distribute, or make publicly available products or services. This lag time will in many cases reduce the value of the receiver party's fame or renown as well as reduce the financial benefits the receiver party may receive from the endorsement or affiliation. Endorsing or affiliating with products may not be the most profitable mechanism to exploit a receiver party's fame. Additionally, the product or service itself may not be desirable and may in fact damage the receiver party's reputation or fame.

Many Stars are unable to profitably receive communication from parties in the general public ("Callers" or "Fans"). Many stars or star's representatives have or support fan clubs which provide fans for a fee or for free a selection of information, products, or other items for sale. As such, Stars have had few or no direct methods to be compensated for receiving transmission of communication.

Fourthly, there is a problem where members of the general public ("Fans" or "Caller" parties) can not locate an electronic or network address or account authentically associated with a receiver party such that the Fan has no reliable means to direct transmissions to the receiver party (or "Star"). Many stars are unable to make available to the general public an account, location, or address because the cost of e-

mails is basically zero to a fan or caller who has network access, the fan or caller would likely be encouraged to transmit many communications of great length. This leads to an impossible situation for a Star because the star can not possibly view or read an unlimited amount of messages. In many cases, a star will most likely choose not to have a publicly accessible location, address, or account with which to accept communication from the public. This system failure and the Star's reluctance to accept e-mail communications from the public is based in part in the Internet's or network's failure to develop a mechanism to appropriately price the right to transmit communication to Stars or other receiver parties.

For example, some fans may have wanted to write and transmit an electronic message of encouragement to an Olympic athlete but the fan was unable to locate an address or account that was authentically associated with the Olympic athlete. Some fans may have wanted to send money or provide financial support to the athlete but there was no mechanism, system, or method to satisfy this demand. The Olympic athlete who desires to receive communication and compensation must also limit the amount of time, effort, and communication involved to an acceptable level. Charging a fan a price to transmit communicate may filter out those Fans or Caller parties who do not sufficiently value the communication at the same time it enables more communication from those parties who value the communication more, are more excited, interested, involved, financially able, or other characteristics.

Fifthly, there is a problem where traditional revenue streams like the retail sale of music CDs is perhaps diminished by the exchange of digital music file over the Internet. Receiver parties, particularly musicians, want to be able to make use of the benefits of a network such as the Internet as a revenue stream but have not yet discovered a means to enable them to profitably do so. Enabling receiver parties to profit from receiving transmissions of communication from their fans will provide a new and additional revenue stream that may benefit the receiver party and may enable the receiver party to use a network for financial profit.

No method or system currently exists to compensate famous or publicly renowned individuals or entities for granting others the opportunity to transmit electronic communication to an address, account, or location associated with a Star.

Sixthly, Receiver parties need a personalized and cost effective means to control their image, to interact with fans, to make their work or thoughts known, for fan-base building, and for cultivation of their public persona. Using traditional media such as television, advertising, infomercials, and magazines ads can be expensive and unfocused. In televisions and magazines, often too much information is distorted in the traditional media, the receiver parties' depictions are often out of the receiving party's control. Often a receiver party desires greater control over the public depiction of his or her person, name or likeness.

Many or even most famous or publicly renowned parties are unable to efficiently advertise himself or herself, to gain control of their image, to communicate their individual beliefs, and to attract potential fans to learn more. One way of attracting fans has been to appear on game shows, on the radio, on talk shows, or in other media which can be limited, uncontrolled by the famous or publicly renown party, and can have adverse effects.

In many cases, the famous or publicly renown party lacks the resources, time, and expertise needed to create a public venue for communication, set-up billing and financial transaction processes to pay for it, or otherwise engage in a business, especially if the volume of

communication to the famous or publicly renown party is either very high requiring a great deal of time and resources, or very low requiring significant overhead and computer costs for few revenues.

For example, it would not be practical for an Olympic athlete to prepare a network presence during the Olympic period when the athlete is competing and most well-known which would authenticate credit card transactions, processed payments, accounts for transactions, and store messages. The network and computer programming overhead is too significant, the timing to set up the site too lengthy, and the time period of fame too short to make a feasible business proposition and still lead the life for which he or she is famous or renown.

Seventhly, receiver parties need a means to authenticate their identities to fans over a network. Receiver parties need to be able to be associated with a mechanism that provides Fan with a certain degree of reassurance that the communications that they transmit will be directed to an address or account that is associated with the authentic receiver party or organization. Currently, there are too many "fake" sites, unauthorized fan sites, and others who wish to profit from a receiver party's name or likeness without being authentically associated with receiver party.

Eighthly, there is less than an optimal amount of interaction or information exchanged between receiver parties and Caller parties. Receiver parties want to be able to personally interact with caller parties on an informed basis. Caller parties want to interact with receiver parties. There is currently no timely cost-effective mechanism that increases the chances of processing the communication so that desirable personalized communication will be exchanged in both directions.

Ninth, receiver parties need to protect their privacy. They need to be able to control how others communicate with or access them.

Tenth, the organization and development of the market for personalized communication or transmission of communication is stalled without a mechanism to price, to develop, and to organize the transmission of communications in which one party pays a fee or bears a cost which directly or indirectly benefits the receiver party or the receiver party's assignees.

The system and method of the present invention is more valuable and useful than just a "pay-per-email" service. The real power and usefulness of the system and method is that present invention focuses consumer demand so that resources can be efficiently allocated, uses a network's ability to inform and direct, organizes markets, provides cost-effective services, reduces transaction costs, organizes information, and funnels demand.

Eleventh, too little quality communication is exchanged currently and too much unconsidered communication is misdirected or poorly directed without a mechanism to channel and focus the communication.

Twelfth, caller parties or Fans are entitled to feel that they have received something tangible or of value for their funds. One problem is providing value to "caller parties" in addition to the value of the opportunity to transmit communication to the account or address of the receiver party. In some cases, Fans may pay to transmit communication but do not receive a reply or are unsure of what they receive in return other than a chance that someone else will view their communication. This problem can be addressed by providing an additional benefit or consideration in return for the caller's paying for the right to transmit communication. For example, the caller party could also receive a response or an authenticated unique response that will in some way have value as a collectible or other good or material. The return communication could be a graphic, photo, electronic signature, uniquely modified communication, or other transmission or communication that supplies a value in return for the caller's payment of a fee or

cost even in situation where the receiver party does not personally read or return personalized communication to the caller party.

Lastly, many smaller transactions do not currently occur because of the transaction costs, inadequate information, and inefficient market for smaller transaction. These transactions would be beneficial if they occurred. The system and method of the present invention provide a framework for facilitating many of these smaller transactions and thereby increase the amount of desirable communications or transactions, decrease costs, improve the quality and amount of information available, and provide value to society.

They are significant economies of scale to be found in large centralized communication transmission services as disclosed in the present invention. If these economies of scale prove correct, then the method and system will facilitate increased communication, increase knowledge, and enable parties to learn or hear things that they would not otherwise know or hear. For example, It is likely that a significant majority of famous or publicly renown persons could not operate individual network sites which involve payment or compensation and have those businesses prosper because of the high overhead costs and market in efficiencies of small or diffuses sites.

The present invention solves these problems and more.

#### Present Invention Solves Problems

The present invention is a method and system for enabling, organizing, pricing, selling, transacting, and facilitating communications for a fee or cost. In essence, the present invention can function as an organizer, marketer, market maker, broker, salesman, sales venue, or an endorser or verification of communication to accounts or address associated with receiver parties, including famous or renowned parties.

With the increasing popularity of the Internet and the World Wide Web, it has become more common for caller parties or "fans" to want to personally communicate with receiver parties or "Stars". "Stars" increasingly want to exploit the Internet as a new or additional revenue stream. Currently there is no merchant or service to organize this market and address these demands.

The present invention offers the caller party or Fan an opportunity to transmit communication to a location or account that is verified to be one associated with the Star, a chance that the Star will read or view the Fan's communication, a chance that the Star will personally respond to the Fan's communication, and an opportunity for the Fan to financially support or compensate the Star.

The "caller" party benefits from financially supporting the "receiver" party, benefits from some degree of assurance that the caller's communication will be transmitted to an account that is authentically associated with the "receiver" party, and benefits in that the "caller" party will only be billed or charged when or if the caller's communication in the "receiver's" account is downloaded by the "receiving" party or at the receiving party's direction. Because the famous or known party is financially compensated, the caller has more reason to believe that it is more likely that the famous or renown party will view the caller's transmission and potentially respond.

The "star" or "receiver" party benefits because he or she is enabled to receive electronic communication that a Star may otherwise not receive, to determine and to set a price for transmitting communication to the Star, to sell and to market on a larger scale the right to access the Star, to receive



compensation for receiving communications or participation, to exploit a new revenue stream, to return communicate with select Fans if the Star desires, to develop and to address a Fan base, and to more easily and more directly profit financially from the Star's fame, public attention, or public inquiries.

The present invention offer a Star a potentially substantial new revenue stream which could more than cover costs associated with receiving the communication, increase the amount of information or personal communication a Star has with his or her fans, and compensate or reward the Star for their fame, their participation, or their efforts.

The general public benefits from gaining access to persons whom the public might otherwise not be able to access, from the opportunity or means to make potentially smaller transactions or transfers, and from using a system that addresses current market failure in addressing other parties, high transaction costs, and lack of information or organization.

The system and method is not limited to "e-mail" and has application, to all areas of communication or transmission including voice, video, audio, interactive television, auctions, radio, telecommunications, paging, wireless communications, the internet, internet chat, two-way cable service, broadcasting, and satellite communications. The system and method have application whenever 2 or more devices or means communicate or transfer data by means of a network, through transmissions, or through an intermediary device or means.

## SUMMARY OF THE INVENTION

The present invention is a method and system for enabling, organizing, facilitating, and transacting the transmission of communication over a network such as the Internet for a fee or cost.

The present invention enables a "caller" or "Fan" to transmit communication over a network to an account or address associated with a receiver party such as movie star, professional athlete, known individual, related entity, or other known party ("Star") for a fee or cost paid or born by the fan.

The present invention enables Fans to locate an authenticated account or address, to transmit communication over a network to a location or account that is verified to be one associated with the Star, to pursue a chance that the Star will read or view the communication, to pursue a chance that the Star will personally respond, and to financially support or compensate the Star.

More specifically, the present invention provides a system and method to enable parties in the general public with network access to visit the network presence site or location of a merchant intermediary. On the network presence site or location of the merchant intermediary, the "caller" party may locate the proprietary address or account of a publicly renown or famous party, compose or format a message, pay a fee for the opportunity to transmit, and then transmit the communication to an account or

address through or within the merchant intermediary's system that is associated with the famous or publicly renown person.

The fan pays for the opportunity to transmit communication to a location or account that is verified to be one associated or connected with the Star or entity. The Star in turn receives a portion of the fee.

The system and method include an merchant intermediary with a network presence that enables a "caller" party who has network access to locate an account or address associated with a specific "receiver" party, to compose or to format a communication, to pay a fee or bear a cost for the right or opportunity to transmit information or communication to the designated "receiver", and to transmit the "caller" party's communication through the merchant intermediary to the account of the "receiver" party.

More specifically, the method and system include a merchant intermediary with a network presence that engages Stars to participate, provides Stars with secret proprietary accounts and electronic addresses, organizes a network accessible searchable database of available Stars as well as the price of transmitting communication to a Star, advertises and manages the network site or database to draw visitors and focus attention, establishes accounts for payment by the fan, establishes a legally binding agreement with the Fan, provides Fans means or form in which to communicate to Stars, processes Fans payment and authorizes financial transactions, stores the message for the publicly renown or famous party, delivers Fan's communication to the

Star's account for Star's access, optionally processes communication for easier management or viewing by Star, accounts and pays for fees and costs, and compensates Stars for participation or by arrangement or for downloading the communication.

The merchant intermediary keeps the exact location or address of the famous or publicly renown party secret from the "caller" party such that the "caller" party does not learn the address or account and can only access the account or address for a fee through the merchant intermediary.

The merchant intermediary encrypts or keeps secret from the "caller" party the address or location of the "receiver" party's account or address, formats the caller party's communication or transmission, transacts or processes the "caller's" payment or transfers rendered, transmits the "caller's" communication to the account of the receiver, and accounts to and compensates the "receiver" party for participating in the system or for downloading a caller's transmitted communications. The merchant intermediary takes measures to authenticate the identity and associations of the receiver party before any communication or payment is released to the "receiver party".

The receiver is credited or compensated when the receiver's account or address is accessed, the receiver's identity is confirmed by the entry of a security code established with receiver party, and the receiver or the receiver party's agent downloads the callers' communication from the receiver's

associated account or when the receiver otherwise directs the communication to be sent or directed.

The famous or renowned party participates by authorizing his or her name or likeness to the merchant intermediary if necessary, agrees to participate in the system, downloads or otherwise accesses the communication, and receives compensation. The system and method enables the receiver party to receive compensation for granting others the right to transmit communication to an account associated with the receiver party (whether or not the receiver party views or responds to the caller's transmission or communications), to profit from their fame or renown in a unique or additional means, to offer personalized access to those caller parties with sufficient interest or finances to pay for the right to transmit communication, to generate revenue to cover the associated costs of communicating with others, to develop and to address those caller parties interested in the receiver, to offer a public means by which the public may access them, and to receive communication or information they may not otherwise receive.

In the preferred embodiment, the method and system facilitates fee-based communication of text, audio, images, video, voice, graphics, or music in electronic or digital form.

In the preferred embodiment, the "caller" of the communication pays for or bears the fee, cost, or charge associated with the communication or associated with the opportunity to access or to participate in the system of

communication. In the preferred embodiment, the "caller" pays for or bears the fee, cost, or charge directly through a financial transaction such as a per-communication payment charged to the "caller"'s credit card, directly by means of a subscription fee, indirectly through experiencing advertising, or directly or indirectly through other means or combinations thereof.

In the preferred embodiment of the present invention, the fee, cost, or payment for the opportunity of transmitting the electronic communication is made or born by the fan as "caller" of the communication. The present invention allows the Star as recipient to set or to determine the price of transmitting communication to the recipient. The recipient receives compensation for receiving the communication and participating in the program.

In the preferred embodiment, the apparatus of the present invention includes a merchant web site which includes a controller which lists, advertises, and organizes a Star's availability to receive communication and lists a price for the opportunity to transmit an electronic communication. The controller receives, formats, and directs the fan's inquiries. The controller establishes an account for the fan, processes payment, and authorizes transactions. The controller accounts for the fees and compensates the Stars.

In the preferred embodiment, the merchant web site or personalized pages within the merchant web site may also be accessed through 3<sup>rd</sup> party web sites, internet portals, associated networks, or other means such that the merchant web site can

organize, formalize, or facilitate a market for fee-based transmission of electronic communication, organize or funnel demand for transmitting communication to a particular Star, efficiently process and authorize financial transactions, efficiently process and organize communication to a Star, and efficiently process and account for fees, expenditures, and compensation.

In the preferred embodiment, the merchant web site will offer optional services to a Star. The merchant web site will offer fee-based services including editing, culling, organizing, prioritizing, or otherwise processing the electronic communication so that it would be more efficient, focused, and manageable for a Star to view or read the received communication.

In the preferred embodiment, the merchant web site will limit the size and length of the fan's communication to a manageable form, generate immediate responses to the fan's communication promoting the purchase of additional items related to the Star if appropriate, and otherwise developing a market for Star-based merchandising.

In the preferred embodiment of the present invention, the caller party will receive response material.

For purpose of this discussion, "receiver Party" or "Star" is any person, organization, or entity whom another person would know, recognize, identify, or address a communication to. "Fan", "Caller Party", or "Member of the General Public" is any person who knows, recognizes, or addresses a communication to a person,

organization, or entity. The term "know" or "known" should be defined broadly and include recognition, identification, association, or publication with, to, or by another. A "network" is any means, mechanism, or process to connect, join, transfer information, recognize, or otherwise link two or more devices, sites, or locations such that information in whatever form may be transferred or passed from one device, site, or location to another device, site, or location.

#### BRIEF DESCRIPTION OF THE DRAWINGS

These and other features and advantages of the invention will now be described with reference to the drawings of certain preferred embodiments, which are intended to illustrate and not to limit the invention, and in which:

FIG. 1 is a high-level architectural drawing illustrating the primary components of a system that operates in accordance with the present invention.

FIG. 2 is an architectural drawing and flow diagram illustrating the network presence site or location of the merchant intermediary of the system.

#### CLAIMS



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The claims

1. A method and system for enabling communication in which one party pays a fee or bears a cost to transmit a communication to another party, comprising:

- a merchant intermediary who:
  - i. establishes an interface, site, identifier, or network presence on one or more networks or devices;
  - ii. establishes identifiers, channels, codes, e-mail addresses, web site addresses, storage accounts, or other repositories, or pass-through accounts, addressees, sites or means;
  - iii. establishes one or more unique sites, accounts, or addresses for unique receiver in which the merchant intermediary may segregate or pass through transmissions directed to a specific receiver, account, or address
  - iv. establishes a means for a caller party to locate the address or account of a specific receiver party;

- v. provides services or means to allow caller parties to create, to format, or to direct communications or transmissions to specified receiver parties,
- vi. provides services or means to allow caller parties to pay for, to assume a cost or obligation, to charge or otherwise bill to account, to license, or otherwise to compensate the merchant intermediary or the receiver;
- vii. provides a means to charge caller parties a fee or cost or otherwise processes financial transactions or transfers associated with a caller's buying the right or the opportunity to transmit communication to an address or account associated with a specific receiver party;
- viii. receives or authorizes and accounts for fees, revenues, costs, and other items;
- ix. transmits, stores, holds, or distributes communication to receiver parties or to an account or address or location associated with receiver;
- x. compensates or pays receivers for his or her or their participation.

2. A method for facilitating communication in which one party pays a fee or bears a cost to transmit a communication to another party, comprising:

- a merchant intermediary who:
  - i. establishes an interface, site, identifier, or network presence on one or more networks or devices;
  - ii. establishes identifiers, channels, codes, e-mail addresses, web site addresses, storage accounts, or other repositories, or pass-through accounts, addresses, sites or means;
  - iii. establishes unique sites, accounts, or addresses for unique receiver in which the merchant intermediary may segregate or pass through transmissions directed to a specific receiver, account, or address
  - iv. establishes a means for users to locate the address or account of a specific receiver;
  - v. provides services or means to allow fans to create, to format, or to direct communications or transmissions,
  - vi. provides services or means to allow callers to pay for, to license, or otherwise to

compensate the merchant intermediary or the receiver;

vii. charges callers or otherwise processes financial transactions or transfers associated with a caller's buying the right or the opportunity to transmit communication to a specific account

viii. authorizes or accounts for fees, revenues, costs, and other items;

ix. transmits, stores, holds, or distributes communication to receivers or to an account or address or location associated with receiver;

x. compensates or pays receivers for his or her or their participation.